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NORTHERN DISTRICT OF CALIFORNIA

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20 SECURITIES AND EXCHANGE COMMISSION

21 UNITED STATES DISTRICT COURT
22 NORTHERN DISTRICT OF CALIFORNIA
23 SAN FRANCISCO DIVISION

12

0413

24 SECURITIES AND EXCHANGE COMMISSION,
25
26 Plaintiff,
27 v.
28 IGORS NAGAICEVS,
29
30 Defendant.

Case No. _____
COMPLAINT

Plaintiff Securities and Exchange Commission (the "Commission") alleges:

SUMMARY OF THE ACTION

1. This action involves a brazen stock price manipulation scheme by defendant Igors Nagaicevs ("Nagaicevs") of Latvia. Nagaicevs hijacked the online accounts of innocent customers at large broker-dealer firms in the United States and made unauthorized purchases and

1 sales of securities that were listed on major stock exchanges, including the New York Stock
2 Exchange (“NYSE”). Nagaicevs conducted those unauthorized trades to manipulate the prices of
3 stocks in which he already held a position through one of at least eight unregistered trading firms
4 where Nagaicevs was an authorized trader. The scheme enabled Nagaicevs to consistently derive
5 quick trading profits, even if he manipulated the price of the security by only a small amount.

6 2. From June 2009 through August 2010, Nagaicevs conducted unauthorized trading
7 in hijacked online customer accounts on at least 159 occasions. On each of the 159 occasions,
8 Nagaicevs followed the same pattern of stock price manipulation. First, he established a long or
9 short position in a security by placing a buy or sell order through one of the trading firms.
10 Nagaicevs then gained access to an online brokerage account and made large unauthorized trades
11 in the same security to manipulate the stock price in his favor, often using cash held in the
12 hijacked account or making other unauthorized sales in the account to generate equity for his
13 manipulative purchases. Finally, during or shortly after the manipulative trading in the intruded
14 account, Nagaicevs closed out his position through one of the trading firms at the artificial
15 market price to generate a profit. These transactions created the false appearance of legitimate
16 trading activity and artificially affected the market prices of 104 NYSE and Nasdaq securities.

17 3. Nagaicevs generated more than \$850,000 in illegal profits from this scheme. His
18 unauthorized trading in the hijacked accounts also caused losses in excess of \$2 million which
19 were reimbursed by the broker-dealer firms that carried the victimized customer accounts.
20 Attached to this Complaint, and incorporated herein by reference, is an Appendix showing the
21 date, security, trading account and profit involved in each of Nagaicevs’s account intrusions and
22 stock price manipulations.

23 4. Nagaicevs’s unauthorized trading and deceptive stock transactions violated
24 Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), as well as Rule 10b5-1
25 thereunder, because they involved deceptive conduct and a fraudulent scheme in connection with
26 the purchase or sale of securities. His unauthorized trading and deceptive transactions also
27 violated Section 17(a) of the Securities Act of 1933 (“Securities Act”) because they involved
28 deceptive conduct and a fraudulent scheme in the offer or sale of a security.

1 **JURISDICTION AND VENUE**

2 5. The Commission brings this action pursuant to Sections 20(b), 20(d) and 22(a) of
3 the Securities Act [15 U.S.C. §§ 77t(b), 77t(d) and 77v(a)] and Sections 21(d) and 21(e) of the
4 Exchange Act [15 U.S.C. §§ 78u(d) and 78u(e)].

5 6. This Court has jurisdiction over this action pursuant to Sections 21(d), 21(e) and
6 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e) and 78aa].

7 7. Defendant, directly or indirectly, made use of the means or instrumentalities of
8 interstate commerce, or of the mails, or of the facilities of a national securities exchange in
9 connection with the transactions, acts, practices and courses of business alleged herein.

10 8. Venue in this District is proper pursuant to Section 27 of the Exchange Act
11 [15 U.S.C. § 78aa] because a substantial part of the acts and transactions constituting the
12 violations alleged in this Complaint occurred within the Northern District of California.

13 **INTRADISTRICT ASSIGNMENT**

14 9. Under Civil Local Rule 3-2, this civil action should be assigned to the San
15 Francisco or Oakland Divisions, because a substantial part of the events or omissions which give
16 rise to the claim occurred in San Mateo County.

17 **DEFENDANT**

18 10. **Igors Nagaicevs**, age 34, is a Latvian citizen. In agreements and other related
19 documents with certain trading firms, Nagaicevs provided an address in Jurmala, Latvia.
20 Between June 2009 and August 2010 (the "relevant period"), Nagaicevs traded securities in
21 United States securities markets as an authorized trader through omnibus brokerage accounts
22 held in the names of at least eight unregistered trading firms.

23 **RELEVANT ENTITIES**

24 11. **Alchemy Ventures, Inc.** ("Alchemy") is a California corporation with its principal
25 place of business in San Mateo, California. During the relevant period, approximately 250
26 individuals traded as many as 300 million shares per month on U.S. exchanges in an omnibus
27 account held in Alchemy's name at a registered broker-dealer.
28

1 12. **KM Capital Management, LLC** (“KM”) is a Pennsylvania limited liability
2 company with its principal place of business in Philadelphia, Pennsylvania. During the relevant
3 period, approximately 10 individuals traded as many as two million shares per month on U.S.
4 exchanges in omnibus accounts held in KM’s name at registered broker-dealers.

5 13. **Zanshin Enterprises, LLC** (“Zanshin”) is a Texas limited liability company that
6 had its principal place of business in Boise, Idaho until it ceased operations in February 2010.
7 During the relevant period, until Zanshin ceased operations, approximately 125 individuals traded
8 as many as four million shares per month on U.S. exchanges in an omnibus account held in
9 Zanshin’s name at a registered broker-dealer.

10 14. **Mercury Capital** (“Mercury”) is a Nevada corporation that had its principal place
11 of business in La Jolla, California until it ceased operations in November 2010. During the relevant
12 period, approximately 600 individuals traded as many as 800 million shares per month on U.S.
13 exchanges in an omnibus account held in Mercury’s name at a registered broker-dealer.

14 15. **Firm E** is a Cayman Islands corporation that has its principal place of business in
15 Montreal, Quebec. During the relevant period, Firm E provided trading access to individuals,
16 including Nagaicevs, through an omnibus account held in its name at a registered broker-dealer.

17 16. **Firm F** is a Florida limited liability company that has its principal place of
18 business in New York, New York. During the relevant period, Firm F provided trading access to
19 individuals, including Nagaicevs, through an omnibus account held in its name at a registered
20 broker-dealer.

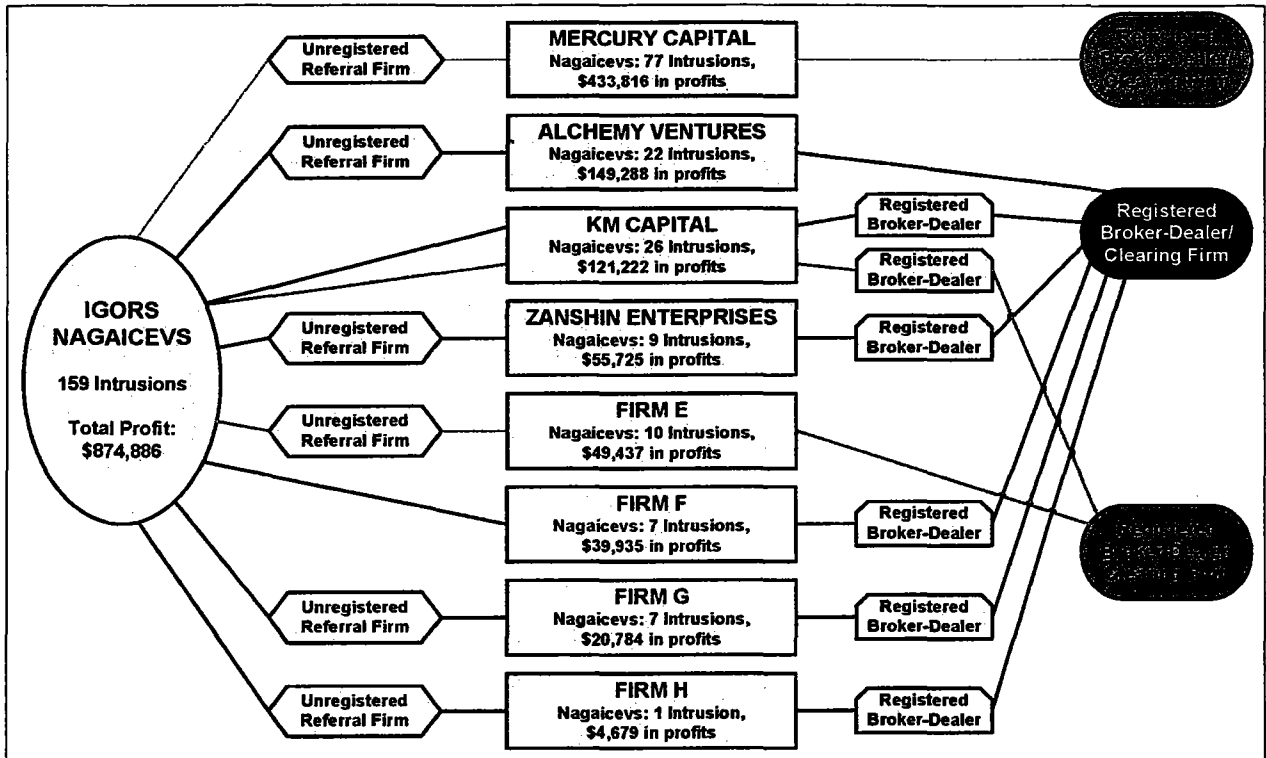
21 17. **Firm G** is a New York limited liability company that had its principal place of
22 business in New York, New York until it ceased operations in January 2010. During the relevant
23 period, Firm G provided trading access to individuals, including Nagaicevs, through an omnibus
24 account held in its name at a registered broker-dealer.

25 18. **Firm H** is a Delaware corporation that has its principal place of business in New
26 York, New York. During the relevant period, Firm H provided trading access to individuals,
27 including Nagaicevs, through an omnibus account held in its name at a registered broker-dealer.
28

1 **FACTUAL ALLEGATIONS**

2 **A. The Market Access Provided To Nagaicevs**

3 19. The following chart illustrates the relationships through which the unregistered
4 trading firms received market access from registered broker-dealers and extended the market
5 access to Nagaicevs.



19 20. From at least June to September 2009, Nagaicevs traded in the United States
20 securities markets as an authorized trader through an omnibus account held in the name of Firm
21 E. Although Nagaicevs was not identified in connection with Firm E on any trading records
22 maintained by a registered broker-dealer or exchange, Firm E ultimately identified Nagaicevs as
23 the trader responsible for all of Firm E's trading activity described in the Appendix to this
24 Complaint. That trading involved ten intrusions into online customer accounts at broker-dealer
25 firms for the purpose of placing unauthorized buy or sell orders and generated \$49,437 in illicit
26 profits for Nagaicevs.

27 21. From at least July to August 2009, Nagaicevs traded in the United States
28 securities markets as an authorized trader through an omnibus account held in the name of Firm

1 F. Although Nagaicevs was not identified in connection with Firm F on any trading records
2 maintained by a registered broker-dealer or exchange, Firm F ultimately identified Nagaicevs as
3 the trader responsible for all of Firm F's trading activity described in the Appendix to this
4 Complaint. That trading involved seven intrusions into online customer accounts at broker-
5 dealer firms for the purpose of placing unauthorized buy or sell orders and generated \$39,935 in
6 illicit profits for Nagaicevs.

7 22. From at least August to September 2009, Nagaicevs traded in the United States
8 securities markets as an authorized trader through an omnibus account held in the name of Firm

9 G. Although Nagaicevs was not identified in connection with Firm G on any trading records
10 maintained by a registered broker-dealer or exchange, Firm G ultimately identified Nagaicevs as
11 the trader responsible for all of Firm G's trading activity described in the Appendix to this
12 Complaint. That trading involved seven intrusions into online customer accounts at broker-
13 dealer firms for the purpose of placing unauthorized buy or sell orders and generated \$20,784 in
14 illicit profits for Nagaicevs.

15 23. From at least September to December 2009, Nagaicevs traded in the United States
16 securities markets as an authorized trader through an omnibus account held in Alchemy's name.

17 Although Nagaicevs was not identified in connection with Alchemy on any trading records
18 maintained by a registered broker-dealer or exchange, Alchemy ultimately identified Nagaicevs
19 as the trader responsible for all of Alchemy's trading activity described in the Appendix to this
20 Complaint. That trading involved twenty-two intrusions into online customer accounts at
21 broker-dealer firms for the purpose of placing unauthorized buy or sell orders and generated
22 \$149,288 in illicit profits for Nagaicevs.

23 24. From at least October to December 2009, Nagaicevs traded in the United States
24 securities markets as an authorized trader through an omnibus account held in Zanshin's name.

25 Although Nagaicevs was not identified in connection with Zanshin on any trading records
26 maintained by a registered broker-dealer or exchange, Zanshin ultimately identified Nagaicevs as
27 the trader responsible for all of Zanshin's trading activity described in the Appendix to this
28 Complaint. That trading involved nine intrusions into online customer accounts at broker-dealer

1 firms for the purpose of placing unauthorized buy or sell orders and generated \$55,725 in illicit
2 profits for Nagaicevs.

3 25. In at least December 2009, Nagaicevs traded in the United States securities
4 markets as an authorized trader through an omnibus account held in the name of Firm H.
5 Although Nagaicevs was not identified in connection with Firm H on any trading records
6 maintained by a registered broker-dealer or exchange, Firm H ultimately identified Nagaicevs as
7 the trader responsible for all of Firm H's trading activity described in the Appendix to this
8 Complaint. That trading involved one intrusion into an online customer account at a broker-
9 dealer firm for the purpose of placing unauthorized buy or sell orders and generated \$4,679 in
10 illicit profits for Nagaicevs.

11 26. From at least January to August 2010, Nagaicevs traded in the United States
12 securities markets as an authorized trader through an omnibus account held in KM's name.
13 Although Nagaicevs was not identified in connection with KM on any trading records
14 maintained by a registered broker-dealer or exchange, KM ultimately identified Nagaicevs as the
15 trader responsible for all of KM's trading activity described in the Appendix to this Complaint.
16 That trading involved twenty-six intrusions into online customer accounts at broker-dealer firms
17 for the purpose of placing unauthorized buy or sell orders and generated \$121,222 in illicit
18 profits for Nagaicevs.

19 27. From at least April to July 2010, Nagaicevs traded in the United States securities
20 markets as an authorized trader through an omnibus account held in Mercury's name. Although
21 Nagaicevs was not identified in connection with Mercury on any trading records maintained by a
22 registered broker-dealer or exchange, Mercury ultimately identified Nagaicevs as the trader
23 responsible for all of Mercury's trading activity described in the Appendix to this Complaint.
24 That trading involved seventy-seven intrusions into online customer accounts at broker-dealer
25 firms for the purpose of placing unauthorized buy or sell orders and generated \$433,816 in illicit
26 profits for Nagaicevs.

1 **B. The Account Intrusion And Market Manipulation Scheme**

2 28. As set forth in the Appendix, on 159 occasions between June 2009 and August
3 2010, Nagaicevs made profitable trades through an omnibus account of one of the unregistered
4 trading firms contemporaneous with unauthorized trading in the same securities in hijacked
5 online customer accounts at multiple U.S. broker-dealers.

6 29. Each incident followed essentially the same pattern. First, Nagaicevs established
7 a long or short position in a security through one of the unregistered trading firms. Then
8 Nagaicevs surreptitiously gained access to an online customer account and made large
9 unauthorized trades in the same security to manipulate the stock price in his favor, often using
10 cash held in the hijacked account or making other unauthorized sales in the account to generate
11 equity for his manipulative purchases. Finally, during or shortly after the manipulative trading in
12 the intruded account, Nagaicevs closed out his initial position through one of the unregistered
13 trading firms at the artificial market price to generate a profit.

14 30. The entire pattern was always completed within the same trading day, often in
15 only 15 to 20 minutes. As shown in the Appendix, Nagaicevs often was responsible for more
16 than 50% of the subject stock's daily trading volume as a result of the manipulative scheme.

17 31. Paragraphs 32 to 36 and the chart below provide one representative example of
18 the manner in which Nagaicevs executed his market manipulation scheme, in this instance
19 involving the stock of Greenbriar Companies, Inc., an NYSE-listed security with ticker symbol
20 "GBX." Over the course of 32 minutes on October 26, 2009, Nagaicevs generated more than
21 \$14,000 in illegal profits by twice taking a position in GBX, driving up the stock price by
22 purchasing shares through another account to which he had obtained unauthorized access, and
23 then liquidating his position at a profit.

24 32. The closing price of GBX on Friday, October 23, 2009 was \$9.94 on volume of
25 89,500 shares. On Monday, October 26, 2009, the opening price of GBX was \$9.94.

26 33. At 12:02 pm on October 26, Nagaicevs purchased 20,000 GBX shares through the
27 Alchemy account for an average price of \$10.05.

28

34. Between 12:04 and 12:08 pm, just minutes after Nagaicevs purchased GBX shares in the Alchemy account, an online brokerage account was illegally accessed and limit orders to purchase 49,000 GBX shares at prices escalating from \$10.20 to \$10.40 were placed without the knowledge of the account holder. All 49,000 GBX shares were purchased in the intruded account between 12:04 and 12:19 pm at prices escalating from \$9.96 to \$10.40.

35. Between 12:07 and 12:08 pm, at the same time that unauthorized purchases were being executed in the intruded account, Nagaicevs sold all 20,000 GBX shares in the Alchemy account at prices ranging from \$10.40 to \$10.49 per share, generating a profit of \$7,066.

36. At 12:21 pm, Nagaicevs liquidated the GBX holdings in the intruded account, driving GBX's stock price back down to \$10.05. Between 12:29 and 12:34 pm, Nagaicevs continued the manipulation by purchasing 22,800 GBX shares at an average price of \$10.05 through the Zanshin account, then making unauthorized purchases of GBX in the intruded account to raise the stock price to \$10.39, and then selling the 22,800 GBX shares in the Zanshin account at the artificially elevated price for an additional profit of \$7,076.

Account	Buy/Sell	Order Times	Order Quantity	Order Prices	Execution Times	Execution Quantity	Execution Prices	Amount	Profit/Loss
Nagaicevs -Alchemy	B	12:02 pm	20,000	\$10.16	12:02 pm	20,000	\$9.87 - \$10.16	\$(201,083)	
Victim	B	12:04 pm - 12:08 pm	49,000	\$10.20 - \$10.40	12:04 pm - 12:19 pm	49,000	\$9.96 - \$10.40		
Nagaicevs -Alchemy	S	12:07 pm	20,000	\$10.40	12:07 pm - 12:08 pm	20,000	\$10.40 - \$10.49	\$208,149	\$7,066
Nagaicevs -Zanshin	B	12:29 pm	22,800	\$10.05 - \$10.07	12:29 pm	22,800	\$10.05 - \$10.07	\$(229,250)	
Victim	B	12:32 pm - 12:34 pm	42,000	\$10.40	12:32 pm - 12:34 pm	35,300	\$10.04 - \$10.39		
Nagaicevs - Zanshin	S	12:34 pm	22,800	\$10.33 - \$10.40	12:34 pm	22,800	\$10.33 - \$10.40	\$236,326	\$7,076

37. The fraudulent scheme described above was repeated by Nagaicevs on 159 occasions over a 14-month period, artificially affecting the market prices of 104 different NYSE and Nasdaq securities. Nagaicevs generated total ill-gotten gains in excess of \$850,000 from the scheme through the omnibus accounts held in the names of the unregistered trading firms. Nagaicevs's manipulative trading in the hijacked accounts also caused losses in excess of \$2 million which were reimbursed by the broker-dealer firms that carried the victimized customer accounts. It also caused losses for other investors who submitted orders during the intrusions at artificial market prices.

1 **FIRST CLAIM FOR RELIEF**

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

3 38. The Commission realleges and incorporates by reference paragraphs 1 to 37.

4 39. Nagaicevs has, by engaging in the conduct set forth above, directly or indirectly,
5 in the offer or sale of securities, by the use of means or instruments of transportation or
6 communication in interstate commerce, or of the mails:

7 (a) with scienter, employed devices, schemes, or artifices to defraud;

8 (b) obtained money or property by means of untrue statements of material fact
9 or by omitting to state material facts necessary in order to make statements made,
10 in the light of the circumstances under which they were made, not misleading; and

11 (c) engaged in transactions, practices, or courses of business which operated
12 or would operate as a fraud or deceit upon the purchasers of such securities.

13 40. By reason of the foregoing, Nagaicevs has directly or indirectly violated Section
14 17(a) of the Securities Act [15 U.S.C. § 77q(a)] and unless enjoined will continue to violate
15 Section 17(a) of the Securities Act.

16 **SECOND CLAIM FOR RELIEF**

17 **Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder**

18 41. The Commission realleges and incorporates by reference paragraphs 1 to 40.

19 42. By engaging in the conduct described above, Nagaicevs, directly or indirectly, in
20 connection with the purchase or sale of securities, by the use of means or instrumentalities of
21 interstate commerce or of the mails, with scienter:

22 (a) employed devices, schemes, or artifices to defraud;

23 (b) made untrue statements of material facts or omitted to state material facts
24 necessary in order to make the statements made, in the light of the circumstances
25 under which they were made, not misleading; and

26 (c) engaged in acts, practices, or courses of business which operated or would
27 operate as a fraud or deceit upon other persons, including purchasers and sellers
28 of securities.

1 43. By reason of the foregoing, Nagaicevs has violated and, unless restrained and
2 enjoined, will continue to violate Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and
3 Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

4 **RELIEF REQUESTED**

5 WHEREFORE, the Commission respectfully requests that the Court:

6 I.

7 Permanently enjoin Defendant Nagaicevs from directly or indirectly violating Section
8 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. §
9 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

10 II.

11 Order Defendant Nagaicevs to disgorge his ill-gotten gains according to proof, plus
12 prejudgment interest thereon.

13 III.

14 Order Defendant Nagaicevs to pay a civil penalty pursuant to Section 20(d) of the
15 Securities Act [15 U.S.C. § 77t(d)] and Section 21(d) of the Exchange Act [15 U.S.C. §78u(d)].

16 IV.

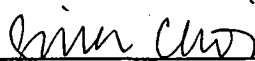
17 Retain jurisdiction of this action in accordance with the principles of equity and the
18 Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and
19 decrees that may be entered, or to entertain any suitable application or motion for additional
20 relief within the jurisdiction of this Court.

21 V.

22 Grant such other and further relief as this Court may determine to be just, equitable, and
23 necessary.

24 Dated: January 26, 2012

Respectfully submitted,

26 
27 _____
Jina D. Choi

28 Attorney for Plaintiff
SECURITIES AND EXCHANGE COMMISSION

APPENDIX

	Trade Date	Security	Symbol	Nagaicevs' Trading Firm	Nagaciev's Profit
1	6/30/2009	Build-A-Bear Workshop, Inc.	BBW	Firm E	\$50
2	7/1/2009	Startek, Inc.	SRT	Firm E	\$2,038
3	7/8/2009	Santander BanCorp	SBP	Firm F	\$7,293
4	7/16/2009	Imation Corporation	IMN	Firm E	\$3,646
5	7/23/2009	Volt Information Sciences, Inc.	VOL	Firm E	\$9,930
6	8/12/2009	AM Castle & Co	CAS	Firm G	\$2,079
7	8/12/2009	AM Castle & Co	CAS	Firm F	\$3,751
8	8/14/2009	Venoco, Inc.	VQ	Firm G	\$1,500
9	8/14/2009	Venoco, Inc.	VQ	Firm F	\$5,808
10	8/27/2009	Winthrop Realty Trust	FUR	Firm G	\$720
11	8/27/2009	Winthrop Realty Trust	FUR	Firm F	\$938
12	8/28/2009	Symmetry Medical, Inc.	SMA	Firm G	\$4,554
13	8/28/2009	Cohen & Steers Closed-End Opportunity Fund	FOF	Firm F	\$7,220
14	8/28/2009	Symmetry Medical, Inc.	SMA	Firm F	\$7,983
15	8/28/2009	Skilled Healthcare Group, Inc.	SKH	Firm F	\$6,942
16	8/31/2009	Babcock & Brown Air Limited	FLY	Firm G	\$1,584
17	8/31/2009	SeaBright Insurance	SBX	Firm G	\$3,416
18	9/10/2009	PROS Holdings, Inc.	PRO	Alchemy	\$7,262
19	9/14/2009	Gerber Scientific, Inc.	GRB	Firm E	\$1,455
20	9/15/2009	Small Cap Premium & Dividend Income Fund	RCC	Firm E	\$6,182
21	9/15/2009	Pzena Investment Management, Inc.	PZN	Firm E	\$8,721
22	9/16/2009	Associated Estates Realty Corp.	AEC	Firm G	\$6,931
23	9/16/2009	Associated Estates Realty Corp.	AEC	Alchemy	\$7,124
24	9/18/2009	Aircastle Ltd	AYR	Firm E	\$4,874
25	9/18/2009	Care Investment Trust, Inc.	CRE	Firm E	\$2,649
26	9/18/2009	Federal Agricultural Mortgage Corp.	AGM	Firm E	\$9,892
27	9/23/2009	JMP Group, Inc.	JMP	Alchemy	\$13,286
28	9/24/2009	PIMCO Strategic Global Gov't Fund	RCS	Alchemy	\$4,785
29	9/29/2009	Sterling Bancorp	STL	Alchemy	\$6,000
30	9/29/2009	Tween Brands, Inc.	TWB	Alchemy	\$2,539
31	9/30/2009	Steak n Shake Co.	SNS	Alchemy	\$10,815
32	10/20/2009	CVR Energy, Inc.	CVI	Alchemy	\$5,880
33	10/20/2009	Enhanced S&P 500 Covered Call Fund	BEO	Alchemy	\$5,475
34	10/21/2009	Cedar Fair LP	FUN	Alchemy	\$10,751
35	10/21/2009	SunAmerica Focused Alpha Growth Fund	FGF	Alchemy	\$2,549
36	10/22/2009	Landry's Restaurants, Inc.	LNK	Zanshin	\$1,586
37	10/26/2009	H&Q Life Sciences Investors	HQL	Alchemy	\$1,010
38	10/26/2009	Greenbrier Companies Inc.	GBX	Alchemy	\$7,066
39	10/26/2009	Greenbrier Companies Inc.	GBX	Zanshin	\$7,076
40	10/27/2009	Media General, Inc.	MEG	Alchemy	\$13,495
41	10/27/2009	Neenah Paper, Inc.	NP	Alchemy	\$12,595
42	10/28/2009	Cohen & Steers REIT & Utility Income Fund	RTU	Zanshin	\$2,440
43	10/28/2009	RPC Inc.	RES	Zanshin	\$5,099
44	10/29/2009	Safe Bulkers, Inc.	SB	Zanshin	\$12,834
45	11/18/2009	Technitrol, Inc.	TNL	Zanshin	\$700

APPENDIX

	Trade Date	Security	Symbol	Nagaicevs' Trading Firm	Nagacievs' Profit
46	11/18/2009	Sauer-Danfoss, Inc.	SHS	Zanshin	\$14,042
47	11/19/2009	Volt Information Sciences Inc.	VOL	Alchemy	\$3,375
48	11/20/2009	Universal American Corp.	UAM	Alchemy	\$1,766
49	12/9/2009	Skilled Healthcare Group, Inc.	SKH	Zanshin	\$1,060
50	12/10/2009	Kenneth Cole Productions Inc.	KCP	Zanshin	\$10,668
51	12/11/2009	Associated Estates Realty Corp.	AEC	Alchemy	\$2,873
52	12/14/2009	Federal Agricultural Mortgage Corp.	AGM	Alchemy	\$10,074
53	12/15/2009	Buckeye Technologies, Inc.	BKI	Alchemy	\$6,420
54	12/15/2009	Blount International, Inc.	BLT	Alchemy	\$4,914
55	12/16/2009	ACCO Brands Corporation	ABD	Alchemy	\$9,100
56	12/30/2009	Alon USA Energy, Inc.	ALJ	Firm H	\$4,679
57	1/11/2010	Midas Group, Inc	MDS	KM	\$3,407
58	2/16/2010	GP Strategies Corp	GPX	KM	\$5,104
59	2/18/2010	GP Strategies Corp	GPX	KM	\$10,046
60	3/31/2010	Premiere Global Service, Inc.	PGI	KM	\$2,323
61	3/31/2010	China Digital TV Holding Co. Ltd.	STV	KM	\$2,970
62	4/7/2010	Delek US Holdings, Inc.	DK	KM	\$10,061
63	4/9/2010	Delek US Holdings, Inc.	DK	KM	\$8,676
64	4/21/2010	JMP Group, Inc.	JMP	KM	\$3,841
65	4/26/2010	CAI International Inc.	CAP	Mercury	\$3,850
66	4/26/2010	Great Atlantic & Pacific Tea Co.	GAJ	Mercury	\$4,790
67	5/26/2010	DWS Multi-Market Income Trust	KMM	KM	\$1,871
68	5/27/2010	Carriage Services Inc.	CSV	KM	\$729
69	5/28/2010	Franklin Covey Co.	FC	Mercury	\$5,904
70	5/28/2010	Midas Group, Inc	MDS	Mercury	\$500
71	6/3/2010	Gaiam, Inc.	GAIA	Mercury	\$5,288
72	6/3/2010	Lydall, Inc.	LDL	Mercury	\$7,800
73	6/3/2010	American Vanguard Corp.	AVD	Mercury	\$20,633
74	6/4/2010	Marine Products Corp.	MPX	Mercury	\$1,455
75	6/4/2010	Skystar Bio-Pharmaceutical Co.	SKBI	Mercury	\$12,726
76	6/4/2010	Marine Products Corp.	MPX	Mercury	\$1,428
77	6/4/2010	Penford Corp.	PENX	Mercury	\$864
78	6/8/2010	Forward Industries, Inc.	FORD	Mercury	\$1,610
79	6/8/2010	NewStar Financial, Inc.	NEWS	Mercury	\$8,431
80	6/9/2010	AMBAC Financial Group, Inc. 5.875% Deb	AKT	Mercury	\$8,245
81	6/10/2010	Globe Specialty Metals, Inc.	GSM	Mercury	\$837
82	6/10/2010	Morton's Restaurant Group, Inc.	MRT	Mercury	\$5,709
83	6/10/2010	Cache, Inc.	CACH	Mercury	\$6,012
84	6/10/2010	Provident Financial Holdings, Inc.	PROV	Mercury	\$6,301
85	6/11/2010	NeurogesX, Inc.	NGSX	Mercury	\$8,847
86	6/11/2010	China Wind Systems, Inc.	CWS	Mercury	\$5,582
87	6/11/2010	Stoneridge, Inc.	SRI	Mercury	\$4,735
88	6/11/2010	SkyPeople Fruit Juice, Inc.	SPU	Mercury	\$3,993
89	6/14/2010	Center Bancorp, Inc.	CNBC	Mercury	\$6,254
90	6/15/2010	BBVA Banco Frances SA	BFR	Mercury	\$2,402

APPENDIX

	Trade Date	Security	Symbol	Nagaicevs' Trading Firm	Nagacievs' Profit
91	6/15/2010	TBS International PLC	TBSI	Mercury	\$5,807
92	6/15/2010	Recon Techonology, Ltd.	RCON	Mercury	\$5,270
93	6/15/2010	Flamel Technologies SA	FLML	Mercury	\$5,367
94	6/16/2010	NGP Capital Resources Company	NGPC	Mercury	\$2,655
95	6/16/2010	American Vanguard Corp.	AVD	Mercury	\$8,163
96	6/16/2010	Miller Petroleum, Inc.	MILL	Mercury	\$1,615
97	6/17/2010	Ambac Financial Group Inc. 5.95%	AKF	Mercury	\$10,791
98	6/18/2010	Recon Techonology, Ltd.	RCON	Mercury	\$26,400
99	6/23/2010	PROS Holdings, Inc.	PRO	Mercury	\$5,061
100	6/23/2010	American Vanguard Corp.	AVD	Mercury	\$7,028
101	6/23/2010	AMBAC Financial Group, Inc. 5.875% Deb	AKF	Mercury	\$5,680
102	6/23/2010	NeurogesX, Inc.	NGSX	Mercury	\$14,955
103	6/23/2010	Stoneridge, Inc.	SRI	Mercury	\$2,561
104	6/23/2010	West Bancorporation	WTBA	Mercury	\$8,007
105	6/23/2010	Flamel Technologies SA	FLML	Mercury	\$5,018
106	7/1/2010	Ocean Power Technologies, Inc.	OPTT	Mercury	\$3,868
107	7/2/2010	Flamel Technologies SA	FLML	Mercury	\$4,500
108	7/6/2010	West Bancorporation	WTBA	Mercury	\$4,750
109	7/6/2010	NeurogesX, Inc.	NGSX	Mercury	\$5,133
110	7/6/2010	Flamel Technologies SA	FLML	Mercury	\$5,896
111	7/6/2010	Rocky Brands, Inc.	RCKY	Mercury	\$6,289
112	7/6/2010	Ocean Power Technologies, Inc.	OPTT	Mercury	\$2,311
113	7/6/2010	Center Bancorp, Inc.	CNBC	Mercury	\$4,980
114	7/6/2010	PROS Holdings, Inc.	PRO	Mercury	\$2,065
115	7/6/2010	NeurogesX, Inc.	NGSX	Mercury	\$6,153
116	7/6/2010	West Bancorporation	WTBA	Mercury	\$3,172
117	7/6/2010	Flamel Technologies SA	FLML	Mercury	\$62
118	7/14/2010	StealthGas, Inc.	GASS	Mercury	\$2,737
119	7/16/2010	StealthGas, Inc.	GASS	Mercury	\$3,807
120	7/16/2010	West Bancorporation	WTBA	Mercury	\$5,247
121	7/16/2010	Flamel Technologies SA	FLML	Mercury	\$5,712
122	7/16/2010	Rocky Brands, Inc.	RCKY	Mercury	\$7,083
123	7/16/2010	Ocean Power Technologies, Inc.	OPTT	Mercury	\$1,920
124	7/16/2010	Equal Energy Ltd.	EQU	Mercury	\$4,858
125	7/16/2010	Tree.com, Inc.	TREE	Mercury	\$4,788
126	7/19/2010	ECOtality, Inc.	ECTY	Mercury	\$5,334
127	7/19/2010	AMBAC Financial Group, Inc. 5.875% Deb	AKT	Mercury	\$5,382
128	7/19/2010	Infinity Pharmaceuticals, Inc.	INFI	Mercury	\$5,600
129	7/19/2010	Asta Funding, Inc.	ASFI	Mercury	\$2,500
130	7/22/2010	CDC Software Corp.	CDCS	Mercury	\$4,459
131	7/22/2010	Infinity Pharmaceuticals, Inc.	INFI	Mercury	\$4,458
132	7/22/2010	Flamel Technologies SA	FLML	Mercury	\$395
133	7/23/2010	West Bancorporation	WTBA	Mercury	\$9,283
134	7/23/2010	Center Bancorp, Inc.	CNBC	Mercury	\$7,562
135	7/23/2010	Pzena Investment Management, Inc.	PZN	Mercury	\$3,384

APPENDIX

	Trade Date	Security	Symbol	Nagaicevs' Trading Firm	Nagacievs' Profit
136	7/26/2010	AMBAC Financial Group, Inc. 5.875% Deb	AKT	Mercury	\$7,990
137	7/26/2010	Penford Corp.	PENX	Mercury	\$5,602
138	7/27/2010	China Wind Systems, Inc.	CWS	Mercury	\$6,500
139	7/27/2010	Convio, Inc.	CNVO	Mercury	\$5,910
140	7/27/2010	Craft Brewers Alliance	HOOK	Mercury	\$9,000
141	7/27/2010	PAR Technology Corp.	PTC	Mercury	\$2,632
142	7/27/2010	QKL Stores, Inc.	QKLS	Mercury	\$6,976
143	7/27/2010	Toreador Resources Corp.	TRGL	Mercury	\$6,943
144	8/3/2010	Coleman Cable, Inc.	CCIX	KM	\$7,737
145	8/3/2010	Craft Brewers Alliance	HOOK	KM	\$7,815
146	8/3/2010	PC-Tel, Inc.	PCTI	KM	\$1,724
147	8/3/2010	Waterstone Financial, Inc.	WSBF	KM	\$5,450
148	8/3/2010	Penford Corp.	PENX	KM	\$1,290
149	8/5/2010	Intersections, Inc.	INTX	KM	\$6,347
150	8/10/2010	MFRI, Inc.	MFRI	KM	\$804
151	8/11/2010	Gaiam, Inc.	GAIA	KM	\$4,648
152	8/11/2010	Key Tronic Corp.	KTCC	KM	\$1,506
153	8/11/2010	Penford Corp.	PENX	KM	\$4,449
154	8/11/2010	West Bancorporation	WTBA	KM	\$3,843
155	8/12/2010	Asset Acceptance Corp.	AACC	KM	\$4,528
156	8/17/2010	Asset Acceptance Corp.	AACC	KM	\$4,614
157	8/17/2010	MFRI, Inc.	MFRI	KM	\$5,200
158	8/17/2010	Penford Corp.	PENX	KM	\$5,705
159	8/19/2010	Asset Acceptance Corp.	AACC	KM	\$6,534
				Total Profit:	\$874,532