

1 DAVID L. OSIAS (BAR NO. 091287)
DEBRA A. RILEY (BAR NO. 151925)
2 TED FATES (BAR NO. 227809)
ALLEN MATKINS LECK GAMBLE
3 MALLORY & NATSIS LLP
501 West Broadway, 15th Floor
4 San Diego, California 92101-3541
Phone: (619) 233-1155
5 Fax: (619) 233-1158
E-Mail: dosias@allenmatkins.com
6 driley@allenmatkins.com
tfates@allenmatkins.com
7

Attorneys for Permanent Receiver Thomas F. Lennon
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9 UNITED STATES DISTRICT COURT
10 SOUTHERN DISTRICT OF CALIFORNIA
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12 SECURITIES AND EXCHANGE
COMMISSION,
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Plaintiff,
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v.
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TUCO TRADING, LLC and
16 DOUGLAS G. FREDERICK,
17

Defendants.
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Case No. 08-CV-0400 DMS (BLM)

**DECLARATION OF TED FATES IN
SUPPORT OF RECEIVER'S MOTION FOR
ORDER AUTHORIZING INTERIM
DISTRIBUTION**

Date: July 25, 2008
Time: 1:30 p.m.
Ctrm: 10
Judge: Hon. Dana M. Sabraw
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20 I, Ted Fates, declare and state as follows:

21 1. I am an attorney with Allen Matkins Leck Gamble Mallory & Natsis LLP, counsel
22 for Thomas F. Lennon ("Receiver"), the Court-appointed permanent receiver for Tuco Trading,
23 LLC ("Tuco"). I am one of the attorneys primarily responsible for handling this matter on behalf
24 of the Receiver. The following facts are within my own personal knowledge and, if called upon to
25 do so, I could and would competently testify thereto under oath.

26 2. On June 24, 2008, I emailed a copy of the Receiver's Motion for Order Authorizing
27 Interim Distribution ("Motion") in draft form to Robert Tercero and Donald Searles of the
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1 Securities and Exchange Commission ("SEC"). I am informed that the SEC does not oppose the
2 Motion.

3 3. On June 24, 2008, I emailed a copy of the Motion in draft form to counsel for
4 Defendant Douglas Frederick. To date, Mr. Frederick has not stated a position with respect to the
5 Motion.

6 4. On June 24, 2008, I emailed a copy of the Motion in draft form to counsel for
7 creditor Lightspeed. Lightspeed has asserted that it is owed more than \$1.3 million by Tuco,
8 making it by far the largest non-member creditor of the Tuco receivership estate. I am informed
9 that Lightspeed does not oppose the Motion.

10 I declare under penalty of perjury that the foregoing is true and correct.

11 Executed on July 10, 2008, at San Diego, CA.

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/s/ Ted Fates
Ted Fates