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9 UNITED STATES DISTRICT COURT
10 SOUTHERN DISTRICT OF CALIFORNIA
11

12 SECURITIES AND EXCHANGE
COMMISSION,

13 Plaintiff,

14 v.

15 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 APPLICATION FOR ORDER
IN AID OF RECEIVERSHIP:**

**(1) ALLOWING NOTICE BY EMAIL TO
MEMBERS OF DEFENDANT TUCO
TRADING;**

**(2) PROVIDING THAT COMMISSIONS
EARNED OR PAYABLE TO DEFENDANT
FREDERICK ARE PROPERTY OF THE TUCO
RECEIVERSHIP ESTATE;**

**(3) AUTHORIZING THE RECEIVER TO
ENTER INTO A TEMPORARY
TRANSACTION WITH GLB TRADING, INC.;**
AND

(4) GRANTING ANCILLARY RELIEF

1 I, Ted Fates, declare and state as follows:

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

7 2. On March 18, 2008, I emailed a copy of the Receiver's Application for Order in
8 Aid of Receivership ("Application") in draft form to Robert Tercero and Donald Searles of the
9 Securities and Exchange Commission ("SEC"). Pursuant to the letter attached hereto as Exhibit A,
10 I am informed that the SEC supports all aspects of the Application with the exception of the
11 proposed temporary transaction with GLB. As noted in the letter, the SEC neither supports nor
12 opposes this portion of the Application and takes no position on the contemplated temporary
13 transaction. Per the SEC's suggestion, the estimated date for filing of the Receiver's report and
14 accounting was adjusted from June 30, 2008 to May 30, 2008 in the final draft of the Application.

15 3. On March 18, 2008, I emailed a copy of the Application in draft form to counsel
16 for Defendant Douglas Frederick. I am informed that Mr. Frederick does not oppose the relief
17 requested in the Application and acknowledges that the terms and conditions of the contemplated
18 temporary transaction with GLB are accurately described in the Application.

19 4. On March 18, 2008, I emailed a copy of the Application in draft form to Robert
20 Lechman, President of GLB Trading, Inc. ("GLB"). I am informed that GLB does not oppose the
21 relief requested in the Application and acknowledges that the terms and conditions of the
22 contemplated temporary transaction with GLB are accurately described in the Application.

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

24 Executed on March 19, 2008, at San Diego, CA.

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/s/ Ted Fates

Ted Fates



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
LOS ANGELES REGIONAL OFFICE
11TH FLOOR
5670 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90036-3648

Roberto A. Tercero
Senior Counsel
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March 18, 2008

BY ELECTRONIC MAIL

Ted Fates, Esq.
Allen Matkins Leck Gamble Mallory & Natsis LLP
501 W. Broadway, 15th Floor
San Diego, CA 92101-1158

RE: SEC V. TUCO TRADING, LLC, ET AL. (SEC FILE NO. LA-3458)
USDC CASE No. 08 CV 400 DMS (BLM)

Dear Mr. Fates:

Thank you for your e-mail earlier today regarding the Receiver's application attached to the e-mail. Donald Searles and I have reviewed it and respond as follows:

- *Allowing Notice by E-Mail to the Class B Members.* We support this portion of the application.
- *Commissions Earned or Payable to Douglas G. Frederick as Property of the Receivership Estate.* We support this portion of the application.
- *Authorizing the Receiver to Enter into a Temporary Transaction with GLB Trading, Inc.* The Commission neither supports nor opposes this portion of the application. The Commission, however, notes that all parties to this action, and all parties to the transaction including the Receiver, are obligated to comply with the federal securities laws and the orders in this action. The Commission at this time takes no position whether the contemplated transaction actually complies with the federal securities laws or the orders in this action.
- *Granting Ancillary Relief.* The Commission supports this portion of the application, except Part 1, regarding the timing of the Receiver's report. The Commission supports a May 30, 2008, rather than a June 30, 2008 deadline.

Ted Fates, Esq.
March 18, 2008
Page 2

Please contact me or Donald Searles if you have any questions.

Very truly yours,



Roberto A. Tercero
Senior Counsel

Copies: Donald W. Searles, Esq.
and
See Attached Distribution List

Distribution List

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<p><i>GLB Trading, Inc.</i></p> <p>Robert Lechman President GLB Trading, Inc. 3333 Michelson Suite 620 Irvine, CA 92612 T/949-955-1966 F/949-955-1909 E/robert@glbtrading.com</p>	<p><i>Counsel to the Receiver, Thomas F. Lennon</i></p> <p>David Osias Ted Fates Allen Matkins Leck Gamble Mallory & Natsis LLP 501 W. Broadway, 15th Floor San Diego, CA 92101-1158 T/619-233-1155 F/619-233-1158 E/dosias@allenmatins.com E/ tfates@allenmatkins.com</p>
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