

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES COMMODITY FUTURES )	
TRADING COMMISSION, )	
	)
Plaintiff, )	
	)
v. )	No. 07 C 3598
	)
LAKE SHORE ASSET MANAGEMENT )	Hon. Blanche M. Manning
LIMITED, <i>et al.</i> , )	Magistrate Judge Michael T. Mason
	)
Defendants. )	
	)

**RECEIVER'S EIGHTH REPORT  
OF SIGNIFICANT DEVELOPMENTS**

Robb Evans & Associates LLC, the Court appointed temporary equity Receiver (the "Receiver") for the Lake Shore Common Enterprise, by and through its attorneys, hereby files this Eighth Report of Significant Developments on the current status of the pending Interpleader Proceedings in the Commercial Court of London instituted by MF Global UK Limited, Lehman Brothers International (Europe), and Newedge Group SA (formerly Fimat International Banque SA) (the "Interpleader Proceedings") and the status of the bankruptcy of Sentinel Management Group, Inc. ("Sentinel").

1. The Receiver is pleased to report that the London Interpleader proceedings have been settled. The defendants have agreed to the release of all funds deposited with the Court by the Futures Commission Merchants. The sum of \$75,450,758.31, plus all interest earned up to and including March 27, 2009, has been paid to the Receiver.

2. The defendants have further agreed to the release of \$579,570.97 to the Receiver from the funds deposited with the Court for the benefit of Hanford; of which \$475,000.00 is to be paid towards the Receiver's costs and £73,152.13 is to reimburse the Receiver for the costs

deducted by the FCM's for their costs relating to initiating the Interpleader action. Of the total Hanford deposit of \$683,011.22, the remaining balance of \$103,440.25 will be released for payment of the costs of the defendants' solicitors.

3. On April 7, 2009 a total of \$76,303,994.75 was wire transferred to the Receiver's bank account.

4. A Consent Order was approved by the High Court of Justice, Queen's Bench Division, Commercial Court, on March 27, 2009, and is attached as Exhibit A. The Receiver has requested the immediate transfer of all funds held by the Court Funds Office.

5. The Consent Order also confirms that The Amended Receivership Order of this Court dated 24 April 2008 is fully recognized by the English Court. Accordingly, the Receiver now has the powers and authority within England and Wales as if it had been appointed a Receiver by the English Court, including the power to collect, get in, and receive debts now due and owing, and collect and receive other assets and property belonging to the Interpleader defendants.

6. As previously reported, on December 19, 2008, Frederick Grede, as Liquidation Trustee, made an interim distribution to the holders of allowed claims pursuant to the provisions of the confirmed Fourth Amended Plan of Liquidation. The Receiver received a total of \$34,787,915.87 under the initial distribution on December 19, 2008. The Receiver is pleased to report that an additional distribution of \$1,048,742.28 (9 wire transfers) was received on March 9, 2009. The additional distribution represented the pro-rata distribution on amounts abandoned by the Liquidation Trustee as potential avoidable transfers under Section 547 of the Bankruptcy Code pursuant to the terms of an Order entered by the Bankruptcy Court authorizing the settlement of certain § 547 claims. An additional \$9,827,710.00 in potential avoidable transfers

has not been abandoned. The Liquidation Trustee has offered to compromise those potential claims at a discount of 75% deducted from the amount of the claim, which amount would be released and available to receive a pro-rata distribution if the compromise offer is accepted. The Receiver is currently evaluating this proposal.

7. The Receiver has issued the Notices of Claim to most of the investors. There is a 45 day period from the date the investor is notified of their claim amount to either accept or challenge the Receiver's calculation of the claim amount. All notices are expected to be mailed on or before April 17, 2009. The Receiver will keep the claims verification period open until 45 days from this date. Any disputed claims should be filed with the Receiver no later than June 1, 2009.

DATED: April 8, 2009

Respectfully Submitted,

**ONE OF THE ATTORNEYS FOR ROBB EVANS  
& ASSOCIATES LLC, THE TEMPORARY  
EQUITY RECEIVER FOR THE LAKE SHORE  
COMMON ENTERPRISE**

By: Ira Bodenstein  
One of Its Attorneys

Ira Bodenstein (#3126857)  
Robert M. Fishman (#3124316)  
SHAW GUSSIS FISHMAN GLANTZ  
WOLFSON & TOWBIN, LLC  
321 N. Clark Street, Suite 800  
Chicago, IL 60654  
PH: (312) 541-0151  
FX: (312) 980-3888

# **EXHIBIT A**

**IN THE HIGH COURT OF JUSTICE**

**Claim No. 2008 Folio, 532, 606, 607**

**QUEEN'S BENCH DIVISION**

**COMMERCIAL COURT**

**The Honourable Mr Justice Teare (in public), Friday 27<sup>th</sup> March 2009**

**BETWEEN:-**

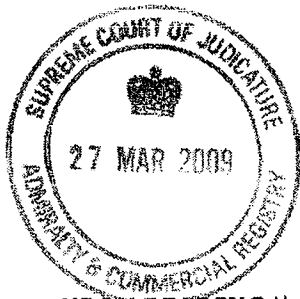
**ROBB EVANS & ASSOCIATES LLC**

**Claimant / Part 20 Defendant**

**- and -**

- (1) LAKE SHORE ALTERNATIVE FINANCIAL ASSET LIMITED  
(2) LAKE SHORE ALTERNATIVE FINANCIAL ASSET ACCOUNT I LIMITED  
(3) LAKE SHORE ALTERNATIVE FINANCIAL ASSET ACCOUNT II LIMITED  
(4) GENEVACORP FUNDS WORLD LIMITED  
(formerly LAKE SHORE ALTERNATIVE FINANCIAL ASSET FUND IV LIMITED)  
(5) HANFORD INVESTMENTS LIMITED

**Defendants / Part 20 Claimants**



---

**CONSENT ORDER**

---

**UPON READING** the Orders of Master Foster dated 30 April 2008 and 2 May 2008 made in actions numbered HQ08X01069, HQ08X1070 and HQ080X1071; the Order of Mr Justice Walker dated 12 May 2008; and the three Orders of Mrs Justice Gloster dated 28 October 2008;

**AND UPON** Lehman Brothers International (Europe) Limited (in administration) ("Lehman Brothers"), MF Global UK Limited ("MF Global") and Newedge Group SA ("Newedge") (collectively, the "FCMs") having paid into Court the following amounts pursuant to the Orders of Master Foster dated 2 May 2008 and the Orders of Mrs Justice Gloster dated 28 October 2008:

- (A) By Lehman Brothers into account FC1045:
- i. US\$33,383,704.15 in respect of accounts held in the names of the Third and Fourth Defendants; and
  - ii. US\$122,728.50 in respect of accounts held in the name of the Fifth Defendant.

(B) By Newedge into account FC1046:

- i. US\$10,618,953.89 in respect of accounts held in the name of the Fourth Defendant; and
- ii. US\$28,596.00 in respect of accounts held in the name of the Fifth Defendant.

(C) By MF Global into account FC1047:

- i. US\$30,868,529.30 in respect of accounts held in the names of the First and Second Defendants; and
- ii. US\$531,686.72 in respect of accounts held in the name of the Fifth Defendant;

**AND UPON READING** the letter dated 24 March 2009 from the solicitors for the FCMs agreeing that all costs due to MF Global and Newedge pursuant to paragraph 2 of the Orders of Master Foster dated 2 May 2008 have been fully discharged, but that the costs due to Lehman Brothers pursuant to paragraph 2 of the Order of Master Foster dated 2 May 2008 are yet to be assessed or agreed;

**AND UPON READING** the letter dated 24 March 2009 from the solicitors for the administrators of Lehman Brothers agreeing that all costs due to Lehman Brothers pursuant to paragraph 2 of the Order of Master Foster dated 2 May 2008 shall be discharged by payment to Lehman Brothers of the sum of £22,417.13 withheld by Lehman Brothers from the amount paid into Court;

**AND UPON THE PARTIES HAVING AGREED** that the payments referred to in paragraph 4 shall discharge, and fully and finally settle, all liabilities for costs arising out of these proceedings (including, for the avoidance of doubt, the Defendants' obligation to pay the Claimant's costs pursuant to the orders of Mr Justice Simon dated 9 March 2009 and Mr Justice Field dated 20 February 2009), and that the parties shall each be released from any further claim in respect of costs;

**AND UPON THE APPLICATION** of the Claimant for a Consent Order made orally by counsel;

**AND UPON READING** the letter dated 27 March 2009 from the solicitors for the Defendants consenting to an order being made in these terms;

**AND BY CONSENT**

**IT IS ORDERED** that:

1. The Amended Receivership Order of the US District Court for Northern District of Illinois, Eastern Division dated 24 April 2008 shall be recognised, a copy of which is attached hereto at Annex 1.
2. The Claimant shall, accordingly, have such powers and authority within England and Wales as if it had been appointed a receiver of each of the Defendants by the High Court of England and Wales (without giving security) to collect, get in, and receive the debts now due and outstanding and other assets and property belonging to the Defendants, and, without limitation, is entitled (to the exclusion of the Defendants) to direct the payment of the monies formerly held by the FCMs on behalf of the Defendants, save for sums payable to the solicitors to the Fifth Defendant pursuant to paragraph 4(2) below.
3. The monies paid into court by the FCMs in respect of accounts held in the names of the First to Fourth Defendants, or any of them, together with all interest accrued thereon, be paid out to the Claimant.
4. The monies paid into court by the FCMs in respect of accounts held in the name of the Fifth Defendant, together with such interest as may have accrued thereon, be paid out in respect of costs as follows:
  - (1) to the Claimant: US\$579,570.97 (which is US\$475,000 plus £73,152.13 at the exchange rate of £1.00 to US\$1.4295 on 27 March 2009) plus all interest accrued in respect of all sums held from the date of payment in; and
  - (2) to the solicitors to the Fifth Defendant: the remainder of the amount paid into Court by the FCMs in respect of accounts held in the name of the Fifth Defendant.
5. By way of implementation of paragraphs 3 and 4 above, the following payments shall be made out of Court by the Court Funds Office:
  - (1) from account FC1045:

- (a) to the Claimant: US\$33,402,992.40;
- (b) to the solicitors to the Fifth Defendant: US\$103,440.25; and
- (c) all interest accrued on account FC1045 shall be paid out to the Claimant.

(2) from account FC1046:

- (a) to the Claimant: US\$10,647,549.89; and
- (b) all interest accrued on account FC1046 shall be paid out to the Claimant.

(3) from account FC1047:

- (a) to the Claimant: US\$31,400,216.02; and
- (b) all interest accrued on account FC1047 shall be paid out to the Claimant.

6. Payments may be made as follows:

- (1) To the Claimant: by cheque made payable to Robb Evans & Associates LLC as receiver or by wire transfer to the Claimant: by cheque made payable to Robb Evans & Associates LLC, Receiver of Lake Shore Asset Management Ltd. or by wire transfer to California Bank & Trust, 550 S. Hope Street, Los Angeles, CA 90071, for credit to Robb Evans & Associates LLC, Receiver of Lake Shore Asset Management Ltd. (account details to be provided to Court Funds Office); and
- (2) To the solicitors to the Fifth Defendant: by cheque made payable to Grundberg Mocatta Rakison LLP or by wire transfer to The Royal Bank of Scotland, PO Box 412, 62/63 Threadneedle Street, London EC2R 8LA, for credit to Grundberg Mocatta Rakison LLP Client Account. (account details to be provided to Court Funds Office).

7. Liberty to apply in respect of the implementation of paragraphs 3 to 5 above.

8. No order as to costs.

Dated this 27<sup>th</sup> day of March 2009