

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

-against-

STEPHEN WALSH, PAUL GREENWOOD,
WESTRIDGE CAPITAL MANAGEMENT, INC.,
WG TRADING INVESTORS, L.P., WGIA, LLC,

Defendants,

-and-

WESTRIDGE CAPTIAL MANAGEMENT
ENHANCEMENT FUNDS, INC., WG TRADING
COMPANY, L.P., WGI LLC, K&I
INVESTMENTS AND JANET WALSH,

Relief Defendants.

Civil Action No.: 09 CV 1749 (GBD)

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

WG TRADING INVESTORS, L.P. WG
TRADING COMPANY, LIMITED
PARTNERSHIP, WESTRIDGE CAPITAL
MANAGEMENT, INC., PAUL GREENWOOD
and STEPHEN WALSH,

Defendants.

-and-

ROBIN GREENWOOD and JANET WALSH

Relief Defendants.

Civil Action No.: 09 CV 1750 (GBD)

INVESTOR PROPOSAL OF INTERESTED PARTY JAMES L. CARDER

Pursuant to the Court's August 5, 2009 Order Granting the Motion for Order Approving the Receiver's Proposed Claims Administration Procedures, as modified by the Court's September 10, 2009 "SO ORDERED" letter, Interested Party James L. Carder ("Carder") hereby submits his Investor Proposal regarding distribution of the funds held by the Receiver.

I. INTRODUCTION

Carder previously complied with the Court's August 5, 2009 Order Granting the Receiver's Proposed Claims Verification Procedures by responding to the Receiver's September 2, 2009 Notice to Investor James L. Carder in a letter to the Receiver dated September 17, 2009. Carder relies upon and reserves his right to assert all of his claims set forth in the Receiver's Notice to Investor James L. Carder and his written response to the Receiver.¹ The Receiver did not respond to Mr. Carder's September 17, 2009 letter.

It appears that the assets held by the Receiver represent a significant percentage of the claims of investors and creditors for which distributions are sought. All of these assets, however, have been tied up for more than a year and a half. Accordingly, it is in the mutual interest of all investors and creditors that an initial distribution be paid as soon as possible.

II. DISTRIBUTION PROPOSAL

Carder proposes that an initial distribution of a substantial percentage of the current assets held by the Receiver be made to investors and creditors as soon as possible. This is reasonable given the length of time the Receivership funds have been frozen.

As a basic formula, Carder proposes a pro rata distribution based upon the amount of principal invested by each investor less withdrawals/distributions or the amount of the pre-Receivership claim of each creditor. In addition, because there are some claims that cannot yet be calculated or will arise in the future, there should be a sufficient amount set aside by the Receiver to satisfy such claims. Upon the wind-up period of the Receivership, a final

¹ Carder's claims include, without limitation, his investments in WG Trading Company LP, WGQ, LLC and WGIA, LLC, his ownership of 49% of the shares of Westridge Capital Management, Inc., his unpaid compensation for 2008 and contractual indemnity owed to him by Westridge Capital Management, Inc.

distribution should be made to all investors and pre-Receivership creditors on the same pro rata basis.

III. CONCLUSION

Carder proposes a timely initial distribution of a significant percentage of the current assets held by the Receiver, with a sufficient amount set aside to satisfy additional claims, and a final distribution upon the wind-up of the Receivership. The initial and final distributions should be paid to investors and pre-Receivership creditors on a pro rata basis.

Dated: San Francisco, CA

October 22, 2010

McLEOD, WITHAM & FLYNN LLP

By: /s/

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James L. Carder*