

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

COMMODITY FUTURES TRADING COMMISSION,	CIVIL ACTION NO. 04 C 5853
Plaintiff,	Judge Lindberg Magistrate Judge Mason
v.	
EDWARD R. VELAZQUEZ, V-TEK TRADING GROUP, INC., V-TEK CAPITAL, INC.,	
Defendants,	
V-TEK FX FUND, and FX500, INC.,	
Relief Defendants.	

STATUTORY RESTRAINING ORDER

Having read the Complaint for Injunctive and Other Equitable Relief, the Plaintiff's Motion for a Statutory Restraining Order With Notice, the Declaration of Judith McCorkle and exhibits thereto and the Declarations of Louis Petrossi, Alexander Sonkin and Larry Ortega, the excerpts of the transcript of testimony of Jasdeep Chawla, and the brief submitted in support of its motion, and the Court having heard arguments in open court from counsel from the Plaintiff, Defendants and Relief Defendants;

THE COURT FINDS:

1. The Court has jurisdiction over the subject matter under the Commodity Exchange Act.
2. Section 6c of the Commodity Exchange Act, as amended ("Act"), 7 U.S.C. § 13a-1 (2001), permits this Court to enter a statutory restraining order.

3. It appears that there is good cause to believe that Defendants Edward R. Velazquez ("Velazquez"), V-Tek Trading Group, Inc. ("V-Tek Trading Group"), and V-Tek Capital, Inc. ("V-Tek Capital")(collectively "Defendants"), have engaged, are engaging in and are about to engage in violations of Sections 4b(a)(2)(i)and(iii), 4h, 4m(1) and 4o(1) of the Act, 7 U.S.C. §§ 6b(a)(2)(i) and (iii), 6h, 6m(1) and 6o(1), and Commission Regulation 4.20(c), 17 C.F.R. § 4.20(c) (2004). It also appears that Relief Defendants FX 500, Inc. ("FX 500"), and V-Tek FX Fund ("V-Tek Fund") received funds as a result of Defendants' fraudulent conduct.
4. It also appears that this is a proper case to grant a statutory restraining order.

IT IS HEREBY ORDERED THAT:

I.

Statutory Restraining Order and Asset Freeze

Defendants Velazquez, V-Tek Trading Group, and V-Tek Capital, and Relief Defendants FX 500 and V-Tek Fund and all persons insofar as they are acting in the capacity of their agents, successors, assigns, and attorneys, and all persons insofar as they are acting in active concert or participation with them who receive actual notice of such order by personal service or otherwise, shall be prohibited from directly or indirectly:

- A. Withdrawing, transferring, removing, dissipating or disposing of funds, assets or other property, wherever situated, including but not limited to, all funds, personal property, money or securities held in safes, safety deposit boxes and all funds on deposit in any financial institution, bank or savings and loan account held by, under the control, or in the name of the Defendants and Relief Defendants, except that Defendant Velazquez is permitted to draw his personal funds out of accounts in his name to pay his reasonable attorney fees in this action, and will substantiate to the CFTC that these funds are being used solely for payment of attorney fees and related costs and expenses;
- B. Destroying, altering, concealing or disposing of any books, records, electronically stored data or other documents, wherever stored concerning the Defendants and Relief Defendants; and
- C. Refusing to permit authorized representatives of the Commission to inspect; when and as requested, any books, records, electronically stored data or other documents, wherever stored concerning the Defendants and/or Relief Defendants.

IT IS FURTHER ORDERED THAT: Each firm, corporation or other person or entity

with notice, which holds, or which is a depository of funds, securities, property, or other assets of or under the control of the Defendants and Relief Defendants, including funds and property of investors, is prohibited from transferring, withdrawing, removing or disposing of any such funds, securities, property, or other assets until further order of this Court. This Order may be served on any such entity by facsimile transmission.

II
Stay

IT IS FURTHER ORDERED that except by leave of the Court the Defendants and Relief Defendants, and all other persons and entities be and hereby are stayed from taking any action to establish or enforce any claim, right or interest for, against, on behalf of, or in the name of the Defendants and Relief Defendants, including but not limited to, the following actions:

- A. Commencing, prosecuting, litigating or enforcing any suit, except that actions may be filed to toll any applicable statute of limitations;
- B. Accelerating the due date of any obligation or claimed obligation, enforcing any lien upon, or taking or attempting to take possession of, or retaining possession of, property of the Defendants or Relief Defendants or any property claimed by the Defendants or Relief Defendants, or attempting to foreclose, forfeit, alter or terminate any of the Defendants' or Relief Defendants' interests in property, whether such acts are part of a judicial proceeding or otherwise;
- C. Using self-help or executing or issuing, or causing the execution or issuance of any court attachment, subpoena, replevin, execution or other process for the purpose of impounding or taking possession of or interfering with, or creating or enforcing a lien upon any property, wherever located, owned by or in the possession of the Defendants or Relief Defendants; and
- D. Doing any act or thing to interfere with the exclusive jurisdiction of this Court over the property and assets of the Defendants and Relief Defendants. This Paragraph does not stay the commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power.

III
Service of Order and Assistance of United States Marshals Service

IT IS FURTHER ORDERED that, copies of this Order may be served by any means, including facsimile transmission, electronic mail or data transfer, upon any financial institution

or other entity or person that may have possession, custody or control of any documents or assets of the Defendants or that may be subject to any provision of this Order.

IT IS FURTHER ORDERED that Judith McCorkle, an employee of the Commission, is hereby specially appointed to serve process, including the summons and complaint, and all other papers in this cause.

IV

Service on the Commission

IT IS FURTHER ORDERED that the Defendants shall serve all pleadings, correspondence, notices required by this Order, and other materials on the Commission by delivering a copy to Susan Gradman, Senior Trial Attorney, Division of Enforcement, Commodity Futures Trading Commission, 525 W. Monroe, Suite 1100, Chicago, Illinois 60661.

V

Status Hearing

IT IS FURTHER ORDERED that this case is set for status hearing before the Honorable George Lindberg on Wednesday, September 15, 2004 at 10:30 a.m.

VI
Court Maintains Jurisdiction

IT IS FURTHER ORDERED that this Order shall remain in full force and effect until further order of this Court, and that this Court retains jurisdiction of this matter for all purposes.

SO ORDERED this 10th of September 2004

Blanche M. Mansury
UNITED STATES DISTRICT JUDGE

SEP 13 2004 15:35

SEP 13 2004 15:17

312 554 8062 PAGE.06

COMMODITY FUTURES ** TOTAL PAGE.06 **
PAGE.06