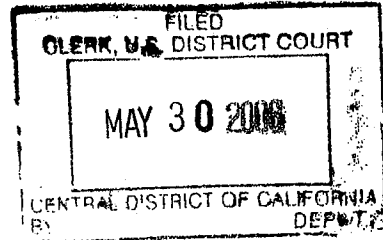


1 DAVID ACEVEDO, *pro hac vice*
MICHAEL R. BERLOWITZ, *pro hac vice*
2 STEPHEN R. MORRIS, *pro hac vice*
COMMODITY FUTURES TRADING COMMISSION
3 140 Broadway, 19th Floor
New York, NY 10005
4 Telephone (646) 746-9700
Facsimile (646) 746-9940
5 E-mail dacevedo@cftc.gov

COPY



6 Attorneys for Plaintiff
Commodity Futures Trading Commission
7

8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA

10 COMMODITY FUTURES TRADING) Case No. CV -03-0833 DSF (Mcx)
11 COMMISSION,)
12 Plaintiff,)
13 vs.)
14 BEN OUYANG, et al.,)
15 Defendants.)
16) DATE: June 19, 2006
17) TIME: 1:30 p.m.
COURT: Courtroom of the Hon. Dale
S. Fischer

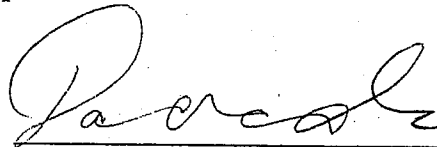
18 TO: TO DEFENDANTS AND TO THEIR ATTORNEYS OF RECORD,

19 PLEASE TAKE NOTICE that on June 19, 2006, at 1:30 p.m., or as soon
20 thereafter as the matter may be heard, in the courtroom of the Hon. Dale S.
21 Fischer, United States District Court, 255 East Temple Street, Los Angeles,
22

1 California, 90012, Plaintiff Commodity Futures Trading Commission will move for
2 an order: (1) providing that Plaintiff shall mail a letter, no later than June 23, 2006,
3 enclosing a copy of this Motion and all exhibits thereto, including this Order, to all
4 claimants who filed claims pursuant to the June 27, 2005 Order Establishing
5 Restitution Claims Process; (2) requiring that claimants who have objections or
6 comments to the Motion submit those objections or comments, in writing, to the
7 Plaintiff no later than July 21, 2006; (3) requiring Plaintiff to forward any objections
8 or comments received to the Court no later than July 28, 2006; (4) requiring Plaintiff
9 to file a written response to Claimants' comments and objections on or before
10 August 11, 2006; (5) scheduling a hearing after August 11, 2006 to rule on the
11 proposed Distribution Plan and any of the claimants' objections.

12 This motion is based upon (a) the Court's June 27, 2005 Order Establishing
13 Restitution Claims Process; (b) the attached Memorandum of Points and
14 Authorities in Support, (c) the declaration and exhibits of Linda Santiago, (d) the
15 pleadings and files of record in this action, and (e) such further oral or written
16 evidence and argument as may be presented to the Court.

17 Dated: May 26, 2006



18 David Acevedo
19 Attorney for Plaintiff
20 Commodity Futures Trading Commission
21
22

1 MEMORANDUM OF POINTS AND AUTHORITIES

2 I

3 INTRODUCTION

4 On June 27, 2005 the Court entered an Order Establishing Restitution
5 Claims Process, whereby a two-step claims process was established. First, the
6 Court ordered the Plaintiff to use its best efforts to identify and notify customers
7 of Defendants Ouyang or Victco to submit claims for restitution to be paid out of
8 the Defendants' frozen assets. Thereafter, claims were to be analyzed for the
9 purpose of creating a proposed distribution plan.

10 Plaintiff has completed the claims process with the receipt of approximately
11 152 claims, 62 of which are from the Defendants' customers. After reviewing
12 these claims, Plaintiff now proposes a distribution plan for these 62 customer
13 claimants.

14 II

15 PROCEDURAL HISTORY

16 The Commission filed this injunctive action on February 5, 2003. The
17 Commission's Complaint alleged that the Defendants violated Section 4(a) of the
18 Commodity Exchange Act, 7 U.S.C. § 6(a) (2002), which prohibits the offer or sale
19 of off-exchange commodity futures contracts, and Section 4b(a)(i), (ii) and (iii) of
20 the Commodity Exchange Act, 7 U.S.C. §§ 6b(a)(i), (ii) and (iii) (2002), which
21 prohibits fraud in connection with commodity futures contracts. Upon the filing of
22

1 the action, the Hon. Nora Manella issued a Statutory Restraining Order freezing
2 the assets of the Defendants.

3 On March 11, 2005, a Consent Order Of Permanent Injunction And Ancillary
4 Relief (“Consent Order”) was entered against Defendants Ben Ouyang (“Ouyang”)
5 and Victco Financial Services, Inc. (“Victco”).¹ The Consent Order included a
6 monetary award against Ouyang and Victco requiring them to make restitution to
7 their customers. Specifically, Paragraph 21 of the Consent Order provided that the
8 “[frozen] funds shall be distributed to Defendants’ customersin accordance with
9 a plan of recommended distribution, when approved by the Court, following
10 summary proceedings held in accordance with principles of equity. *See generally*
11 *CFTC v. Topworth Intern., Ltd.*, 205 F.3d 1107, 1115-16 (9th Cir. 1999) (affirming
12 district court’s approval of distribution plan).

13 The National Futures Association (“NFA”), as “Monitor” pursuant to
14 Paragraph 19 of the Consent Order, is presently holding \$1,040,980.62 in funds that
15 were frozen in Ouyang’s and Victco’s accounts, primarily at Gain Capital, Inc. and
16 FXCM, both of which are registered futures commission merchants. The NFA is
17 not acting in the capacity of a receiver but merely holding frozen funds which it
18 will distribute to the Defendants’ customers in accordance with a distribution plan
19 as ordered by the Court.

20
21 ¹ On March 8, 2004 the Court had entered a Final Order of Default Judgment Against Defendant
22 Yuen Kwong “Anthony” Wong d/b/a IBF Capital Limited Company.

1 On June 27, 2005 the Court entered its Order Establishing Restitution
2 Claims Process, which established a deadline of November 15, 2005 for customers
3 of Ouyang and Victco to submit their claims. On February 15, 2006, following a
4 telephone Status Conference held with counsel for the parties, the Court issued an
5 Order requiring Plaintiff to submit a further motion on or before March 10, 2006.
6 On March 10, 2006, the Court granted Plaintiff's *ex parte* request for a
7 continuance to May 19, 2006.

8 III

9 SUMMARY OF CLAIMS

10 Pursuant to the Court's Order Establishing Restitution Claims Process,
11 Plaintiff mailed claim letters and forms to approximately 400 potential claimants.
12 Some of the letters were returned by the post office because the addresses were no
13 longer valid. In some instances, new addresses were obtained using law

14 enforcement databases available to Plaintiff and the letters and forms were re-sent.

15 Some of the claim notification letters were returned to Plaintiff as completely
16 undeliverable.

17 In total, Plaintiff has received 152 claims from persons who seek a share of
18 the frozen funds that are available for restitution to customers of Defendants
19 Ouyang and Victco. Most claimants submitted copies of documents, such as
20 cancelled checks, supporting their claims. All claims were made under oath
21 ("under penalty of perjury").

1 There are two general categories of claimants.

2 **Customers of Ouyang and/or Victco.**

3 Ouyang's company, Victco, operated out of Temple City, California.
4 Ouyang and Victco had brokers who traded their customers' accounts directly with
5 counterparties, either with registered futures commission merchant Gain Capital,
6 Inc. or former defendant Wong's UK entity, IBF Capital Ltd.-UK. Net claims
7 totaling \$2,346,090.02 have been received from 62 persons who appear to have
8 been broker-managed customers of Ouyang and/or Victco.

9 **Customers of "Money World"**

10 Evidence discovered in the course of the investigation and litigation of this
11 matter shows that some of Victco's customers and brokers subsequently formed a
12 retail foreign currency operation in Texas through an entity called Money World
13 Financial Service ("Money World").² Because of the overlap between Money
14 World and Victco personnel, and because some Victco customers also sustained
15 losses through their Money World investments, claim forms were also sent to
16 Money World customers. Net claims totaling \$1,193,216.45 have been received
17 from 90 persons who appear to have been customers of Money World. Of these
18 90 claimants, 8 also were customers of Ouyang and Victco. These 8 claims were
19 allowed and are included in the proposed Distribution Plan.

20 ² Although funds invested by Money World customers were cleared through FXCM, the funds
21 frozen at FXCM pursuant to the Statutory Restraining Order issued by the Hon. Nora Manella on
22 February 5, 2003, were from Ouyang's personal trading account (a/c # 00010460), and unrelated

1 In reviewing the evidence, the Money World operation appears to have been
2 a separate entity from the Ouyang/Victco operation and not controlled by the
3 controlling persons of Victco. The actions of Money World and any losses to
4 Money World customers arising from those actions are not encompassed within
5 the allegations of this case. The Final Consent Order provides that restitution is to
6 be paid to customers of Ouyang and Victco, not to customers of Money World.
7 Accordingly, Money World claims were disallowed.

8 **Adjustments To Claims**

9 In the course of discovery in this case, and in connection with investigations
10 of related matters, Plaintiff has acquired copies of bank records, trading account
11 statements and other documents that, upon further analysis, warranted reductions
12 in the amounts of allowable claims. For example, copies of cancelled checks
13 reflected account withdrawals that were not disclosed in claim forms. *Cf. CFTC v.*
14 *Topworth Intern., Ltd.*, 205 F.3d at 1115-1116 (calculating distributions according
15 to the *pro rata* “net investment” method, which bases claimant’s recovery on “the
16 total amount deposited by the claimant . . . less amounts returned to such claimant . .
17 . and less any illegal trading profits reinvested by or credited to such claimant”).

18 Based on such evidence, Linda Santiago, a Certified Public Accountant employed
19 by Plaintiff, determined that the total allowable claim for the 62 Victco customers is
20 \$1,122,804.44.

21 _____
to Money World.

1 Based upon her calculations and comments set forth in the spreadsheet, Ms.
2 Santiago has prepared a schedule setting forth Plaintiff's proposed Distribution
3 Plan, attached hereto as Exhibit C. Column 2 of the Distribution Plan sets forth
4 each claimant's recommended allowable claim as derived from Column 6 of the
5 spreadsheet. Column 3 of the proposed Distribution Plan sets forth each
6 claimant's percentage of the total recommended allowable claim. Presently,
7 \$1,040,980.62 is being held by the NFA for distribution. Column 4 of the
8 Distribution Plan sets forth for each claimant the amount of money that Plaintiff
9 proposes be distributed to that claimant from the presently available Ouyang/Victco
10 funds on a *pro rata* basis.

11 **Legal Authorities**

12 The district courts are afforded "broad deference" in their supervision of
13 investor distribution plans, and they are authorized to use "summary proceedings"
14 to resolve conflicting claims to investment proceeds. *CFTC v. Topworth Intern.,*
15 *Ltd.*, 205 F.3d at 1113, 1115. "Reasonable administrative procedures, crafted to
16 deal with the complex circumstances of each case, will be upheld." *SEC v. Hardy,*
17 803 F.2d 1034, 1038 (9th Cir. 1986).

18 There are a number of methods for apportioning frozen assets amongst
19 restitution claimants. The proposed Distribution Plan has been compiled based on
20 the net investment *pro rata* method. It is well established in the cases that use of
21 this method to distribute funds in restitution is just and equitable. As noted above,
22

1 in *CFTC v. Topworth Intern., Ltd.*, the net investment *pro rata* method for
2 calculating distributions was approved by the district court and affirmed by the
3 Ninth Circuit. 205 F.3d at 1115-1116; *see also CFTC v. Equity Financial Group,*
4 *LLC*, Case No. 04-1512, 2005 U.S. Dist. LEXIS 20001 at *19-20, 2005 WL
5 2143975 (D.N.J. Sept. 2, 2005) (employing the “rising tide” method, calculated
6 based on actual dollars invested times *pro rata* multiplier minus withdrawals
7 previously received); *CFTC v. Richwell International, Ltd.*, 163 B.R. 161, 162 (N.D.
8 Cal. 1994) (assets to be distributed to existing customers “*pro rata* on the basis of
9 the lesser of (a) current account balance...and (b) their total net deposits into their
10 margin account.”); *CFTC v. Hoffberg*, Case No. 93 C 3106, 1993 U.S. Dist. LEXIS
11 15173 at *4, 1993 WL 441984 (N.D. Ill. October 27, 1993) (investors who had
12 withdrawn or otherwise received back more than 15% of their initial investment
13 would recover no additional money); *In re Trending Cycles for Commodities, Inc.*
14 27 B.R. 709, 710 (Bankr. S.D. Fla 1983) (distribution plan was “based upon an
15 amount equal to the total out-of-pocket deposit made by a customer minus
16 withdrawals with respect to such contracts.”)³

17
18 ³ One or more claimants may make a “tracing” argument, seeking to impose a constructive
19 trust on identifiable funds. There is no basis in law or equity for preferring the tracing method to
20 the *pro rata* method. *See generally U.S. v. Durham*, 86 F.3d 70, 72 (5th Cir. 1996) (holding that
21 district court did not abuse its discretion in adopting a *pro rata* method of distribution in
22 preference to tracing method). To the same end in *S.E.C. v. Forex Asset Management LLC*, the
Fifth Circuit Court of Appeals refused to disturb the district court’s adoption of the *pro rata*
method over the tracing method: “While it may have been permissible . . . for the district court to
have traced the funds, and while it may have been permissible in the present case for the district
court to have allocated all of the segregated funds to [one set of claimants], in neither case was
the district court required to choose [that] equitable remedy Rather, in both cases the

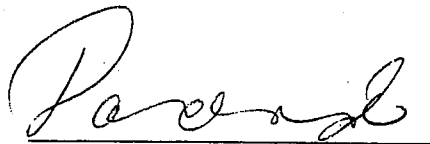
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

IV

CONCLUSION

Pursuant to the Court's June 27, 2005 Order Establishing Restitution Claims Process, Plaintiff respectfully recommends that the Court issue an order approving Plaintiff's Proposed Distribution of assets in the form attached hereto as Exhibit C.

Respectfully submitted,



Dated: May 26, 2006

David Acevedo
Attorney for Plaintiff
Commodity Futures Trading Commission

district court, acting as a court of equity, was afforded the discretion to determine the most equitable remedy. We will not disturb a district court's permissible exercise of discretion on appeal." 242 F.3d 325, 331-32 (5th Cir. 2001).

1 PROOF OF SERVICE

2 I certify and declare that I am over the age of 18 years, not a party to the above-
3 entitled action, and employed by U.S. Commodity Futures Trading Commission,
4 Division of Enforcement, 140 Broadway, 19th Floor, New York, NY 10005. On
5 May 26, 2006 I served a true copy of

6 PLAINTIFF'S MOTION FOR A PROPOSED DISTRIBUTION PLAN;
7 MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT;
8 DECLARATION OF LINDA SANTIAGO; PROPOSED ORDER

9 by depositing it with the United States Postal Service in a sealed envelope with the
10 postage thereon fully prepaid to:

11 Hank Vanderkam, Esq.
12 Vanderkam & Associates
13 1301 Travis
14 Houston, TX 77002

15 I declare under penalty of perjury under the laws of the United States of
16 America that the foregoing is true and correct.

17 Executed on May 26, 2006 at New York, New York.

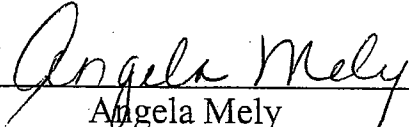
18 
19 Angela Mely
20
21
22

EXHIBIT A

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

DECLARATION OF LINDA SANTIAGO

I, Linda M. Santiago, do hereby declare pursuant to 28 U.S.C. §1746:

1. I am an Auditor with the Audit and Financial Review Branch of the Division of Clearing and Intermediary Oversight of the Plaintiff, the U.S. Commodity Futures Trading Commission ("Commission"). I make this declaration at the request of the Commission's Division of Enforcement.

2. I have served as an Auditor with the Commission since June 1989. I am assigned to the Commission's Eastern Regional Office located at 140 Broadway, New York, New York 10005. My responsibilities as an Auditor for the Commission include the regular review of financial documents and required filings by registered and unregistered commodity firms and individuals in order to ensure compliance with the Commodity Exchange Act (the "Act") and the rules and regulations promulgated thereunder. In that role, I regularly employ standard auditing procedures to test and examine evidence supporting the amounts and disclosures in financial statements. Prior to joining the Commission, I held various positions in the fields of public accounting and internal audit.

3. I am a licensed Certified Public Accountant by the State of California (Cert. # 41868-E) and have been since 1984. I am also a member in good standing of the American Institute of Certified Public Accountants.

4. I have been assigned to assist the Commission's Division of Enforcement to compile a list of former Victco/Ouyang ("Victco") customers

1 obtained from carrying broker statements, bank statements, photocopies of checks,
2 wire transfer advices and deposit slips for various banks.
3

4 5. Initially, I constructed a database from the above-referenced bank
5 records. The condition of the bank records is such that some are only partially
6 legible and others inadequately identified. Also, some addresses were either
7 incomplete or missing. The Division of Enforcement assembled a package of
8 documents consisting of the Court's Civil Minutes – General, CV-03-0833-DSF
9 (Mcx), providing for a claims submission process and a schedule of deadlines, a
10 Customer Claim Form and a cover letter explaining the status of the distribution
11 plan and those actions required of the claimant.
12
13

14 6. As the Claim Forms and supporting documents arrived, I developed a
15 spreadsheet to catalog and summarize the information. One hundred fifty two
16 (152) individual claims were received. Ninety (90) claims were received from
17 Money World customers, and sixty-two (62) were received from Victco
18 customers. Of the 62 Victco customers, eight (8) also invested in Money World.
19 Based on Victco's bank records, other records and documents supporting the claim
20 forms, I was able to determine how much was invested in Victco by the 62 Victco
21 claimants.
22
23
24

25 7. Column 1 of Exhibit B sets forth the name of each individual who has
26 responded with a claim. Columns 2, 3 and 4 in the spreadsheet sets forth the
27 customer deposits and withdrawals and net amount claimed.
28

1 8. Column 5 of Exhibit B sets forth (in dollars) the Plaintiff's
2 recommendation as to how much of each amount claimed should be allowed by
3 the Court.
4

5 9. Column 6 of Exhibit B sets forth Plaintiff's comments on each
6 submitted claim, with a brief explanation of why Plaintiff recommends that the
7 claim be allowed, reduced or disallowed.
8

9 10. Based on the calculations and comments set forth in Exhibit B, I
10 prepared a second document, the Proposed Distribution Plan, attached as Exhibit
11 C.
12

13 11. Column 1 of Exhibit C sets forth the name of each customer who filed
14 a claim. Column 2 sets forth the Recommended Allowable Claim for each (in
15 dollars). Column 3 sets forth the Percentage of the Allowable Claims that each
16 customer's Recommended Allowable Claim represents.
17

18 12. Column 4 of Exhibit C sets forth the Pro Rata Amount of the
19 Distributable Funds for each claimant. This amount is calculated by multiplying
20 the Total Distributable Funds (\$1,040,980.62) by the percentage set forth in
21 Column 3.
22

23 13. Under this proposed Distribution Plan (Exhibit C), Victco customers
24 receive 92.71%, better than ninety two cents on the dollar (\$0.92 of every \$1.00),
25 of the Recommended Allowable Claims.
26
27
28

1 I declare under the penalty of perjury that the foregoing declaration is true and
2 correct.
3

4 Executed in New York, New York, this 26th day of May, 2006.
5

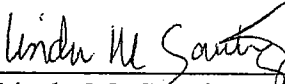
6 
7 _____
8 Linda M. Santiago
9

EXHIBIT B

1	2	3	4	5	6
	VICTO-GAIN	CAPITAL-IBF	CAPITAL LTD.	RECOMMENDED	
# CUSTOMER	CLAIMED DEPOSIT	CLAIMED WITHDRAWAL	NET AMOUNT CLAIMED	ALLOWABLE CLAIM	COMMENTS
1 Bebenek, Guadalupe/ Canales, Rosa M.	\$5,000.00	\$0.00	\$5,000.00	\$5,000.00	Valid claim (Also claimed by Yanez, F \$ 2500)
2 Briceno, Ernesto & Maria	\$7,500.00	\$3,100.00	\$4,400.00	\$4,400.00	Valid claim
3 Chapa-Lopez, Orvilia Elva	\$5,000.00	\$0.00	\$5,000.00	\$5,000.00	Valid claim (Also claimed by Yanez, F \$2,500)
4 Chavez, Jose Luis	\$15,000.00	\$5,025.00	\$9,975.00	\$9,975.00	Valid claim
5 Chavez, Ofelia	\$10,000.00	\$4,000.00	\$6,000.00	\$6,000.00	Valid claim (Also claimed by Yanez, F \$10,000)
6 Chavez, Silvia/ Santos, Nelly	\$10,000.00	\$0.00	\$10,000.00	\$10,000.00	Valid claim
7 Cheong, Kuai Peng	\$5,000.00	\$0.00	\$5,000.00	\$5,000.00	Valid claim
8 Contreras, Robert/ Elizabeth	\$9,000.00	\$0.00	\$9,000.00	\$9,000.00	Valid claim
9 Curtade, Clemen	\$5,000.00	\$0.00	\$5,000.00	\$3,500.00	Reduce claim by Victco BoA ch#5036 for \$1,500 not claimed by Curtade on claim form.
10 Escobar, Jorge/ Luz Magdalena	\$30,000.00	\$0.00	\$30,000.00	\$30,000.00	Valid claim (Also claimed by Yanez, F\$30,000)
11 Flores, Daniel	\$7,874.67	\$0.00	\$7,874.67	\$7,874.67	Valid claim
12 Galindo, Bertha	\$20,000.00	\$12,000.00	\$8,000.00	\$8,000.00	Valid claim
13 Garcia, Maria	\$20,000.00	\$7,618.00	\$12,382.00	\$12,382.00	Valid claim
14 Gershenson, Joseph Kevin	\$10,000.00	\$280.95	\$9,719.05	\$9,719.05	Valid claim
15 Godjabashian, Arshak	\$7,950.00	\$0.00	\$7,950.00	\$7,605.71	Reduce claim by (\$344.29) returned to Godjabashian per Victco's bank records.
16 Gonzalez, Ernesto	\$2,500.00	\$500.00	\$2,000.00	\$2,000.00	Valid claim
17 joint with Sieszar, Ernesto	\$2,500.00	\$1,000.00	\$1,500.00	\$1,500.00	Valid claim
18 Guerra, Dario Gonzalez	\$15,000.00	\$0.00	\$15,000.00	\$12,128.05	Reduce claim by Victco ch#1429 for (\$1,463.39) & ch#1401 for (\$1,408.56) returned to Guerra.
19 Guerrero, Leonardo	\$5,000.00	\$0.00	\$5,000.00	\$4,647.00	Reduce claim by Victco ch#1502 for (\$353) returned to Guerrero.
20 Gupta, Rajeev	\$5,000.00	\$0.00	\$5,000.00	\$5,000.00	Of Gupta's \$81,000 claimed deposit, \$5,000 was invested in Victco and \$76,000 was wired to FXCM (Money World)
21 Gutierrez, Ignacio/ Leticia	\$10,000.00	\$5,515.00	\$4,485.00	\$4,485.00	Valid claim
22 Gutierrez, Jose & Beatriz	\$10,000.00	\$1,000.00	\$9,000.00	\$8,839.11	Reduce claimed deposit of \$10,000 by Victco BoA ch #1430 for (\$923.87) and ch# 1396 for (\$237.02) returned to Gutierrez.
23 Huang, James Zhiquian	\$40,000.00	\$0.00	\$40,000.00	\$0.00	Allow \$0. Withdrawal per Victco's bank records totaled (\$71,330.50) which exceeded deposit of \$40,000.00
Jeno, Harold/Escareno, C. (See Escareno, Cynthia/ Jeno, Harold	\$0.00	\$0.00			

#	CUSTOMER	VICTO-GAIN CAPITAL-IBF CAPITAL LTD.			RECOMMENDED	COMMENTS
		CLAIMED DEPOSIT	CLAIMED WITHDRAWAL	NET AMOUNT CLAIMED	ALLOWABLE CLAIM	
24	Kong, Stephanie LiWen	\$5,000.00	\$0.00	\$5,000.00	\$5,000.00	Valid claim
25	Kort, Gary	\$5,000.00	\$0.00	\$5,000.00	\$5,000.00	Valid claim
26	Lopez, Jose & Lucila	\$19,452.00	\$0.00	\$19,452.00	\$16,617.00	Reduce claim by Victco BoA ch#1717 for (\$2,835) returned by Victco to Lopez not claimed on claim form.
27	Lopez, Gustavo	\$25,000.00	\$0.00	\$25,000.00	\$25,000.00	Valid claim
28	Lora, Dora	\$5,000.00	\$0.00	\$5,000.00	\$5,000.00	Valid claim
29	Luna, Maria	\$10,000.00	\$0.00	\$10,000.00	\$10,000.00	Valid claim
30	Luna, Mayra	\$10,000.00	\$0.00	\$10,000.00	\$10,000.00	Of Luna's net claim of \$27,474.38, Luna indicated on the claim form that \$10,000 was invested in Victo. \$18,000 was wired to FXCM (Money World) and \$525.62 was returned by FXCM to Luna. \$10,000 is valid claim on Victco.
31	Luva, Victor	\$9,000.00	\$0.00	\$9,000.00	\$9,000.00	Valid claim
32	Machado, David	\$17,500.00	\$11,452.01	\$6,047.99	\$6,047.99	Valid claim
33	Maldonado, Hector	\$10,000.00	\$1,000.00	\$9,000.00	\$9,000.00	Of Maldonado's \$37,000 net claim, \$28,000 was wired to FXCM (Money World). \$9,000 is valid claim on Victco.
34	Mendoza, Ruben	\$5,000.00	\$0.00	\$5,000.00	\$5,000.00	Valid claim
35	Monroy, Myrna & Lauro	\$31,000.00	\$0.00	\$31,000.00	\$31,000.00	Valid claim
36	Naveja, Ana (Naveja, Jose)	\$5,000.00	\$1,283.50	\$3,716.50	\$3,716.50	Valid claim
37	Paredes, Martha	\$1,000.00	\$0.00	\$1,000.00	\$1,000.00	Valid claim. (Also claimed by Yanez, F \$1,000)
38	Pena, Hector	\$8,000.00	\$1,018.40	\$6,981.60	\$6,981.60	Of \$16,981.60 net claimed, \$10,000 was invested in FXCM (Money World). The net deposit of \$6,981.60 is valid claim on Victco.
39	Qiu, Jie	\$5,000.00	\$0.00	\$5,000.00	\$5,000.00	Valid claim
40	Quan, Franklin	\$10,000.00	\$0.00	\$10,000.00	\$10,000.00	Of Quan's \$14,691.14 net claim, \$10,000 was wired to IBF Capital Limited (Victco) and \$4,691.14 represents net investment in FXCM (Money World). \$10,000 is valid claim on Victco.
41	Reyes, Guillermina	\$11,972.62	\$3,819.91	\$8,152.71	\$1,180.09	Reduce claim by (\$6,972.62) - not a deposit but account balance as of 10/1/02 of Gain Capital Inc. broker statement.
42	Rocha, Rosendo	\$38,900.00	\$0.00	\$38,900.00	\$38,510.00	Reduce claim by Victco BoA ch#1484 for (\$390) - withdrawal not on claim form.
43	Rodgers, Earnest & Marie	\$20,231.00	\$0.00	\$20,231.00	\$16,793.00	Reduce claim by (\$2,500) deposit on 8/1/02 with no support, and by (\$938) paid by IBF's Universal Bank on 4/12/02 not claimed as withdrawal on claim form.
	Saldivar, Manuel Serrano	no amount claimed				
44	Santillano, Bernarda	\$2,500.00	\$0.00	\$2,500.00	\$2,500.00	Valid claim
45	Santos, Carlos & Nelly	\$25,000.00	\$0.00	\$25,000.00	\$25,000.00	Valid claim
46	Seitz, Robert	\$20,000.00	\$0.00	\$20,000.00	\$20,000.00	Of the 35,682 net claimed, \$20,000 was invested in Victco and \$15,682 represents net investment in FXCM (Money World). \$20,000 is valid claim

#	CUSTOMER	VICTO-GAIN CAPITAL-IBF CAPITAL LTD.			RECOMMENDED ALLOWABLE CLAIM	COMMENTS
		CLAIMED DEPOSIT	CLAIMED WITHDRAWAL	NET AMOUNT CLAIMED		
						on Victco
	Siezar, Ernesto See Gonzalez, Ernesto					
47	Topete, Felipe	\$5,000.00	\$0.00	\$5,000.00	\$5,000.00	Of Topete's \$12,600 total claim, \$5,000 was wired to IBF Capital Ltd(Victo) and the \$7,600 was invested in Money World. \$5,000 is valid claim on Victco.
48	Valles, Mario	\$2,500.00	\$0.00	\$2,500.00	\$2,500.00	Valid claim. (Also claimed by Yanez, F \$2,500)
49	Vargas, Esther/ Juan Gerardo	\$33,500.00	\$15,000.57	\$18,499.43	\$18,499.43	Of Vargas' \$208,499.43 net claim, \$190,000 was wired to FXCM (Money World). \$18,499.43 is valid claim on Victco. (Also claimed by Yanez, F \$2,500)
50	Wong, Chi Yuen	\$5,000.00	\$0.00	\$5,000.00	\$5,000.00	Valid claim
51	Yanez, Ruben	\$34,400.00	\$0.00	\$34,400.00	\$34,400.00	Valid claim
52	Yanez, Francisco	\$75,800.00	\$7,126.93	\$68,673.07	\$0.00	Exclude (\$51,000) (Bebenek \$2500, Valles, M. \$2,500, Vargas, JG \$2,500, Paredes, M \$1,000, Chapa-Lopez \$2,500, Chavez, Ofelia \$10,000 & Escobar \$30,000); Exclude \$20,500 claims submitted by Francisco Yanez on behalf of the customers who did not submit separate claims - #53- \$5,000 #54-\$3,500 #55-\$1,500, #56 - \$2,500, #57-\$1,000, #58-\$2,000 and #59-\$5,000 or total of \$20,500. Reduce the net claim by Yanez, F. of \$68,673.07 by (\$51,000) for customers who submitted their own claim, by (\$20,500) for customers who did not submit separate claims = (\$2,826.93) net to Yanez, Francisco or \$0.
53	Yanez, Arturo by Yanez, Francisco	\$5,000.00	\$0.00	\$5,000.00	\$5,000.00	Valid claim
54	Martinez, Maria by Yanez, Francisco	\$3,500.00	\$0.00	\$3,500.00	\$3,500.00	Valid claim
55	Martinez, Francisco by Yanez, Francisco	\$1,500.00	\$0.00	\$1,500.00	\$1,500.00	Valid claim
56	Esparza, Martinez by Yanez, Francisco	\$2,500.00	\$0.00	\$2,500.00	\$2,500.00	Valid claim
57	Del Castillo, Teresa by Yanez, Francisco	\$1,000.00	\$0.00	\$1,000.00	\$1,000.00	Valid claim
58	Cervantes, Zulerna by Yanez, Francisco	\$2,000.00	\$0.00	\$2,000.00	\$2,000.00	Valid claim
59	Esparza, Hector by Yanez, Francisco	\$5,000.00	\$0.00	\$5,000.00	\$5,000.00	Valid claim \$20,500.00
60	Shin, Pong Re	\$2,578,750.00	\$1,180,000.00	\$1,398,750.00	\$505,250.00	Reduce net claimed \$1,398,750 by undocumented deposits of (\$410,000), funds invested in IB Funds Inc. (\$100,000 & \$100,000) and (\$1,463,500) returned by Victco to Shin or net allowable amount of \$505,250.
61	Young Hee Kim	\$300,000.00	\$0.00	\$300,000.00	\$83,680.00	Reduce net claimed \$300,000 by amounts invested in IB Funds Inc. (\$16,000, \$124,000 & \$36,000) & (\$40,320) returned by Victco

		VICTO-GAIN CAPITAL-IBF CAPITAL LTD.			RECOMMENDED	
#	CUSTOMER	CLAIMED DEPOSIT	CLAIMED WITHDRAWAL	NET AMOUNT CLAIMED	ALLOWABLE CLAIM	COMMENTS
						to Kim or allowable amount of \$83,680.
62	King, Ralph	\$10,000.00	\$1,426.76	\$8,573.24	\$8,573.24	Valid claim
		\$3,622,330.29	\$1,262,167.03	\$2,360,163.26	\$1,122,804.44	subtotals
						Less total amount claimed by Francisco Yanez for customers #54,55,56,57,58, 59 & 60 included in F. Yanez claim form who did not submit separate claims.
		\$20,500.00	\$0.00	\$20,500.00		
		\$3,601,830.29	\$1,262,167.03	\$2,339,663.26	\$1,122,804.44	Totals
					\$1,040,980.62	Frozen funds

EXHIBIT C

CUYANG (VICTCO) PROPOSED DISTRIBUTION
PLAN FOR RESTITUTION TO CUSTOMERS OF VICTCO

Prepared by L. Santiago
CFTC-DCIO 5/18/06

EXHIBIT C

	1	2	3	4
		RECOMMENDED	PERCENTAGE	PRO RATA
		ALLOWABLE	OF TOTAL	AMOUNT OF
#	CUSTOMER	CLAIM	ALLOWABLE CLAIM	DISTRIBUTABLE FUNDS
1	Bebenek, Guadalupe/ Canales, Rosa M.	\$5,000.00	0.445314%	\$4,635.63
2	Briceno, Ernesto & Maria	\$4,400.00	0.391876%	\$4,079.35
3	Chapa-Lopez, Orvilia Elva	\$5,000.00	0.445314%	\$4,635.63
4	Chavez, Jose Luis	\$9,975.00	0.888400%	\$9,248.08
5	Chavez, Ofelia	\$6,000.00	0.534376%	\$5,562.75
6	Chavez, Silvia/ Santos, Nelly	\$10,000.00	0.890627%	\$9,271.25
7	Cheong, Kuai Peng	\$5,000.00	0.445314%	\$4,635.63
8	Contreras, Robert/ Elizabeth	\$9,000.00	0.801564%	\$8,344.13
9	Curtade, Clemen	\$3,500.00	0.311719%	\$3,244.94
10	Escobar, Jorge/ Luz Magdalena	\$30,000.00	2.671881%	\$27,813.76
11	Flores, Daniel	\$7,874.67	0.701339%	\$7,300.81
12	Galindo, Bertha	\$8,000.00	0.712502%	\$7,417.00
13	Garcia, Maria	\$12,382.00	1.102774%	\$11,479.67
14	Gershenson, Joseph Kevin	\$9,719.05	0.865605%	\$9,010.78
15	Godjabashian, Arshak	\$7,605.71	0.677385%	\$7,051.45
16	Gonzalez, Ernesto	\$2,000.00	0.178125%	\$1,854.25
17	joint with Siezar, Ernesto	\$1,500.00	0.133594%	\$1,390.69
18	Guerra, Dario Gonzalez	\$12,128.05	1.080157%	\$11,244.22
19	Guerrero, Leonardo	\$4,647.00	0.413874%	\$4,308.35

OUYANG (VICI CO) PROPOSED DISTRIBUTION
 PLAN FOR RESTITUTION TO CUSTOMERS OF VICTCO

Prepared by L. Santiago
 CFTC-DCIO 5/18/06

EXHIBIT C

		RECOMMENDED	OF TOTAL	AMOUNT OF
#	CUSTOMER	ALLOWABLE	ALLOWABLE	DISTRIBUTABLE
		CLAIM	CLAIM	FUNDS
20	Gupta, Rajeev	\$5,000.00	0.445314%	\$4,635.63
21	Gutierrez, Ignacio/ Leticia	\$4,485.00	0.399446%	\$4,158.16
22	Gutierrez, Jose & Beatriz	\$8,839.11	0.787235%	\$8,194.96
23	Huang, James Zhiquian	\$0.00	0.000000%	\$0.00
	Jeno, Harold/Escareno, C. (See Escareno, Cynthia/ Jeno, Harold		0.000000%	\$0.00
24	Kong, Stephanie LiWen	\$5,000.00	0.445314%	\$4,635.63
25	Kort, Gary	\$5,000.00	0.445314%	\$4,635.63
26	Lopez, Jose & Lucila	\$16,617.00	1.479955%	\$15,406.04
27	Lopez, Gustavo	\$25,000.00	2.226568%	\$23,178.14
28	Lora, Dora	\$5,000.00	0.445314%	\$4,635.63
29	Luna, Maria	\$10,000.00	0.890627%	\$9,271.25
30	Luna, Mayra	\$10,000.00	0.890627%	\$9,271.25
31	Luva, Victor	\$9,000.00	0.801564%	\$8,344.13
32	Machado, David	\$6,047.99	0.538650%	\$5,607.25
33	Maldonado, Hector	\$9,000.00	0.801564%	\$8,344.13
34	Mendoza, Ruben	\$5,000.00	0.445314%	\$4,635.63
35	Monroy, Myrna & Lauro	\$31,000.00	2.760944%	\$28,740.89
36	Naveja, Ana (Naveja, Jose)	\$3,716.50	0.331002%	\$3,445.66
37	Paredes, Martha	\$1,000.00	0.089063%	\$927.13
38	Pena, Hector	\$6,981.60	0.621800%	\$6,472.82
39	Qiu, Jie	\$5,000.00	0.445314%	\$4,635.63

OUTANG (VICTCO) PROPOSED DISTRIBUTION
PLAN FOR RESTITUTION TO CUSTOMERS OF VICTCO

Prepared by L. Santiago
CFTC-DCIO 5/18/06

EXHIBIT C

#	CUSTOMER	RECOMMENDED ALLOWABLE CLAIM	OF TOTAL ALLOWABLE CLAIM	AMOUNT OF DISTRIBUTABLE FUNDS
40	Quan, Franklin	\$10,000.00	0.890627%	\$9,271.25
41	Reyes, Guillermina	\$1,180.09	0.105102%	\$1,094.09
42	Rocha, Rosendo	\$38,510.00	3.429805%	\$35,703.60
43	Rodgers, Earnest & Marie	\$16,793.00	1.495630%	\$15,569.22
44	Santillano, Bernarda	\$2,500.00	0.222657%	\$2,317.81
45	Santos, Carlos & Nelly	\$25,000.00	2.226568%	\$23,178.14
46	Seitz, Robert	\$20,000.00	1.781254%	\$18,542.51
	Siezar, Ernesto	\$0.00	0.000000%	\$0.00
	See Gonzalez, Ernesto			
47	Topete, Felipe	\$5,000.00	0.445314%	\$4,635.63
48	Valles, Mario	\$2,500.00	0.222657%	\$2,317.81
49	Vargas, Esther/ Juan Gerardo	\$18,499.43	1.647609%	\$17,151.29
50	Wong, Chi Yuen	\$5,000.00	0.445314%	\$4,635.63
51	Yanez, Ruben	\$34,400.00	3.063757%	\$31,893.12
52	Yanez, Francisco	\$0.00	0.000000%	\$0.00
53	Yanez, Arturo by Yanez, Francisco	\$5,000.00	0.445314%	\$4,635.63
54	Martinez, Maria by Yanez, Francisco	\$3,500.00	0.311719%	\$3,244.94
55	Martinez, Francisco by Yanez, Francisco	\$1,500.00	0.133594%	\$1,390.69
56	Esparza, Martinez by Yanez, Francisco	\$2,500.00	0.222657%	\$2,317.81
57	Del Castillo, Teresa	\$1,000.00	0.089063%	\$927.13

UYANG (VICTCO) PROPOSED DISTRIBUTION
 PLAN FOR RESTITUTION TO CUSTOMERS OF VICTCO

Prepared by L. Santiago
 CFTC-DCIO 5/18/06

EXHIBIT C

		RECOMMENDED	OF TOTAL	AMOUNT OF
#	CUSTOMER	ALLOWABLE	ALLOWABLE	DISTRIBUTABLE
		CLAIM	CLAIM	FUNDS
	by Yanez, Francisco			
58	Cervantes, Zulema	\$2,000.00	0.178125%	\$1,854.25
	by Yanez, Francisco			
59	Esparza, Hector	\$5,000.00	0.445314%	\$4,635.63
	by Yanez, Francisco			
60	Shin, Pong Re	\$505,250.00	44.998931%	\$468,430.16
61	Young Hee Kim	\$83,680.00	7.452767%	\$77,581.86
62	King, Ralph	\$8,573.24	0.763556%	\$7,948.47
	Totals	\$1,122,804.44	100.000000%	\$1,040,980.62
All Victco customers would receive 92.71% of allowable net invested funds (deposit less withdrawal)				