

AFFIDAVIT OF CHRIS SMITHERS

I, Chris Smithers, being over the age of 18 years, and being of sound mind and body, do hereby affirm the following under oath:


1. I advised Mike Young and Terry Sacca (of Future to Options, Brokers for PFG) of the following:
 - a. I lost my brokers license,
 - b. I was convicted of a felony.
 - c. I have a long time gambling problem, and
 - d. I was never authorized by PFG clients to trade any individual or business accounts.
2. Despite the foregoing, Mike Young and Terry Sacca (PFG Brokers) nonetheless assisting me to set up accounts for people that I recruited, and Mike Young and Terry Sacca both thereafter gave me the clients' account information so that I could access and trade the clients' accounts without the clients' knowledge.
3. Two particular clients that I recruited, and that Mike Young and Terry Sacca assisted me to set up, were M318, LLC and Lawyers Realty, LLC. Again, I traded these two accounts without M318's and Lawyers Realty's knowledge or consent.
4. Accordingly, Mike Young and Terra Sacca were aware that the clients believed that I worked for PFG/Futures of Options.
5. In addition, Mike Young and Terry Sacca also assisted me to set up an account in my mother's name in which I also traded my own money.
6. Concerning M318, I went as far as to set up demo/dummy accounts after I lost the money in M318's original account so that M318 would not find out the losses. Subsequently, I called to give them the new account and sold them on a new scheme regarding buying options that would mature in a few weeks so that I could use 80K additional monies to cover margins and losses.

7. Accordingly, M318 sent the money to PFG and I gave M318 another demo account showing the 80K PFG received, and I took the 80K and tried to regain the loses. Consequently, I lost the additional 80K.
8. Mike Young and Terry Sacca represented to me that they would not call M318 or Lawyers Realty about margin calls or the losses because Mike Young and Terry Sacca were making great money on commissions regardless.
9. The account owner for Lawyers Realty found out I was trading his account, and he was very upset and wanted to know how I got access to his account.
10. I misrepresented to Lawyers Realty that I made it a lot more money than it originally invested.
11. However, Lawyers Realty did not believe me until it accessed its account.
12. Still skeptical, Lawyers Realty said it was going to pull its original investment out.
13. Consequently, Lawyers Realty faxed a wire to PFG directing PFG to wire out 25K.
14. Later that day, I instructed PFG to cancel the request and they did.
15. I made up another lie to Lawyers Realty and misrepresented that the wire would take several days because of the account activity, but not to worry because the money is guaranteed and the wire would be made promptly.
16. A few days later I made up yet another lie, but, by then, I had lost all of Lawyers Realty's money around 140K.

17. I called-in trades after hours directly to PFG, and PFG knew that I was not Judy Moore, who is the sole member of M318 and sole signor of the M318 application.
18. The trading error in M318 that cost the account over \$70,000.00 was PFG's error, and Mike Young and PFG never contacted Judy Moore/M318 LLC about this trade error which put that account in the negative.
19. I covered-up M318's losses by showing M318 positive returns on the demo/dummy account. Fearing that M318 would find out the truth, I told them that I traded the account and I had made them hundreds of thousands in profits due to market volatility. M318 was very skeptical and called PFG and found out the truth.
20. Mike Young and Terry Sacca represented to me that the error in the account should have never happened.
21. Specifically, Mike Young and Terry Sacca represented to me that they argued with PFG about the error and that Mike Young, Terry Sacca, and PFG split the negative balance of \$6,000.00 to bring the account back to a zero balance so that the client, M318, would not find out.
22. On Friday, the account was flat. Then, on Sunday, the account showed 20 positions. When I went into work on Monday, Mike Young notified Terry Sacca what happened with the positions. Terry Sacca then called PFG to see if there were M318 LLC positions, and PFG represented to Terry Sacca that there were. That conversation was recorded. So I got out of the trade right away with a \$47,000.00 profit.
23. I started trading the next day and got to a \$72,000.00 profit, and then the positions were gone again. PFG called Terry Sacca to let him know that it was an error that I had called in the trade on Wednesday and PFG gave me the wrong account number.

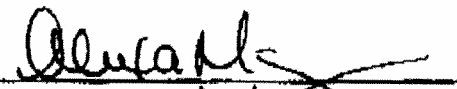
- 24. However, that is not what PFG told Terry Sacca on Monday. Terry Sacca was advised that it was my positions. It took PFG 4 days to realize it was an error.
- 25. I totally regret that this happened to M318 and Lawyers Realty.
- 26. Mike Young, Terry Sacca, PFG, and myself all know what we were doing was wrong.
- 27. Consequently, although we made a lot of money in fees and commissions, we lost a lot of M318's and Lawyers Realty's money. I hope we can make this right somehow.

Under penalties of perjury, I hereby affirm under oath that the above is true and correct to the best of my knowledge.

Signature: 
Chris Smithers

State of Florida)
County of Palm Beach)

Before me came, Chris Smithers, who did produce his Florida Driver's License # 3536-101-75-185-0 and who did swear or affirm under oath and under penalty of perjury in my presence on this 27 day of May, 2009, that all of the information in this affidavit are true and correct.

Seal 
Alexa Martinez

Signature of Notary

