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10 UNITED STATES DISTRICT COURT
11 NORTHERN DISTRICT OF CALIFORNIA
12 SAN FRANCISCO DIVISION

13
14 SECURITIES AND EXCHANGE COMMISSION,
15 Plaintiff,
16 v.
17 JAMES MICHAEL MURRAY,
18 Defendant,
19 and
20 EVENT TRADING GP, LLC,
21 Relief Defendant.

Case No. CV-12-1288-EMC

DECLARATION OF KESHIA W. ELLIS IN
SUPPORT OF PLAINTIFF SECURITIES AND
EXCHANGE COMMISSION'S MOTION FOR
ORDER APPROVING DISTRIBUTION PLAN
AND DISBURSEMENT OF FUNDS AND
APPOINTING DISTRIBUTION AGENT

Date: August 16, 2018
Time: 1:30 p.m.
Honorable Edward M. Chen
Courtroom 5, 17th Floor

1 I, Keshia W. Ellis, declare as follows:

2 1. I am an attorney admitted to practice in the State of Michigan. I am an attorney in the
3 Distributions Office of the Securities and Exchange Commission's (the "Commission") Enforcement
4 Division in Washington, D.C. and am familiar with the Commission's procedures and practices with
5 respect to distribution of disgorged funds to harmed investors. I am one of the attorneys responsible
6 for the distribution of the disgorged funds to investors in the present case and, in that capacity, I am
7 familiar with the pertinent records in this case. I submit this declaration in support of the
8 Commission's Motion for Order Approving Distribution Plan and Disbursement of Funds and
9 Appointing Distribution Agent.

10 2. Attached hereto as Exhibit A is a true and correct copy of the Commission's Proposed
11 Distribution Plan to distribute funds held in the Distribution Fund, which contains the disgorged
12 assets from Event Trading GP, LLC.

13 3. The Commission's Proposed Distribution Plan proposes to compensate investors for
14 their investment in Market Neutral Trading less any funds received from other sources, which will
15 limit a harmed investor's recovery to their net losses.

16 4. Attached hereto as Exhibit B is a true and correct copy of the Redacted Distribution
17 Payment Chart, listing projected distribution payments for each of the eligible investor recipients in
18 accordance with the Distribution Plan. The names of the individual investors have been redacted for
19 privacy reasons, but at the Court's request and with its approval, the Commission will file an
20 unredacted copy of this exhibit under seal.

21 5. Attached hereto as Exhibit C is an exemplar of the Eligible Recipient Notice to be sent
22 to each eligible investor recipient pursuant to the procedure outlined in the Distribution Plan.

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I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct and that this declaration was executed on June 27, 2018 in Washington D.C.

/s/ Keshia W. Ellis
Keshia W. Ellis

EXHIBIT A

EXHIBIT A
PROPOSED DISTRIBUTION PLAN

A. Eligibility

1. “Eligible Recipients” will be the investors identified by staff who incurred net losses from investments in Market Neutral Trading (“MNT”), an investment fund controlled by Defendant James Michael Murray.

B. Methodology for Calculating Distribution Amount

2. Determine each Eligible Recipient’s loss minus any payments received related to the investment in MNT and, less any restitution received in the criminal case, and calculate the total losses of all Eligible Recipients by calculating the sum of all Eligible Recipient’s Net Losses (“Total Net Losses”);
3. Divide each Eligible Recipient’s Net Loss by the Total Net Loss. This fractional result represents the Eligible Recipient’s proportion of losses to the Total Net Losses (“Eligible Recipient’s Proportional Net Loss”); and
4. Multiply each Eligible Recipient’s Proportional Net Loss by the Distribution Fund, less any reserve for tax obligations and fees of the Tax Administrator (“Net Distribution Fund”). The resulting figure represents the amount of the Net Distribution Fund to be distributed to that Eligible Recipient (“Eligible Recipient’s *Pro Rata* Share”)(See Exhibit B).¹

C. Distribution Procedure

5. The Net Distribution Fund will be distributed *pro rata* to the Eligible Recipients based upon the calculations in paragraphs 2 through 4 with the payment amounts set forth in Exhibit B.

¹ Exhibit B is redacted in order to protect the privacy of the harmed investors.

6. Following approval of the Distribution Plan by the Court, the Distribution Agent will send a notice (“Notice”) (attached hereto as Exhibit C) to each Eligible Recipient by U.P.S. The Notice will provide each Eligible Recipient with a copy of the Distribution Plan, including Exhibit B, which sets forth that Eligible Recipient’s payment amount and requests confirmation of contact information sufficient to issue the distribution payment. The Distribution Agent will send the Notice within 14 days of the date of the Court’s entry of the order approving the Distribution Plan.
7. Eligible Recipients will have 45 days from the date of the order approving the Distribution Plan to submit the requested information. After receipt of the information from the Eligible Recipients, the Distribution Agent is authorized to provide the Court’s finance clerk with an unredacted payment file containing the names and amounts to be disbursed to the Eligible Recipients.
8. After receiving the unredacted payment file, the Clerk of the Court shall promptly thereafter disburse the Distribution Fund. The Clerk of the Court shall cause checks to be issued to each Eligible Recipient in the amount of each Eligible Recipient’s *Pro Rata* share as reflected on the unredacted payment file. Each check issued to the Eligible Recipients will state on the face of the check that it is valid for one year. After 60 days from the date on the distribution check, the Distribution Agent will contact the Court’s finance clerk and request the amount of all uncashed checks.
9. Any amount remaining in the Distribution Fund less any expenses to complete the distribution, shall be transmitted to the U.S. Treasury.
10. The Distribution Agent will submit a final report to the Court summarizing the distribution payments, all taxes and tax administration fees and expenses paid, and the amount of funds to be transmitted to the U.S. Treasury. The Commission staff shall seek an order from the Court

to terminate the Distribution Fund, discharge the Distribution Agent, and remit any remaining funds to the U.S. Treasury.

EXHIBIT B

EXHIBIT B

Redacted Distribution Payment Chart
SEC v. James Michael Murray et. al.

Investor	Total Losses	Pro Rata Share	Distribution Payment
Investor 1	\$750,000.00	30.5%	\$108,455.54
Investor 2	\$300,000.00	12.2%	\$43,382.22
Investor 3	\$99,964.00	4.1%	\$14,455.53
Investor 4	\$144,000.00	5.9%	\$20,823.46
Investor 5	\$375,000.00	15.3%	\$54,227.77
Investor 6	\$250,000.00	10.2%	\$36,151.85
Investor 7	\$100,000.00	4.1%	\$14,460.74
Investor 8	\$250,000.00	10.2%	\$36,151.85
Investor 9	\$189,000.00	7.7%	\$27,330.80
	\$2,457,964.00	100%	\$355,439.76 ²

² The Net Distribution Fund is calculated at \$361,339.76 less a \$5,900.00 reserve for taxes, fees, and expenses of the Tax Administrator.

EXHIBIT C

EXHIBIT C

ELIGIBLE RECIPIENT NOTICE

VIA UPS

[Eligible Recipient Name]
[Eligible Recipient Address]

Re: SEC v. James Michael Murray, et al (CV-12-1288)

Dear [Eligible Recipient Name],

We are writing to inform you that there will be a distribution of funds in the above-referenced matter to investors who incurred net losses from investments in Market Neutral Trading. We have determined that you are one of those investors.

Background

On July 27, 2017, the Court entered an Order Granting the SEC's Motion for Disgorgement Against Relief Defendant Event Trading GP, LLC (Dkt. 181). Pursuant to the Court's Order, funds were paid pursuant to the Clerk of the Court and deposited into an interest bearing account. A Fair Fund containing \$362,046.51 is available for distribution. The District Court for the Northern District of California has approved a distribution of the Distribution Fund and the staff of the Commission has determined that you are an Eligible Recipient and will receive a distribution of funds.

Plan of Distribution

On _____, the Court issued an order granting the Commission's Motion for Order to Approve the Proposed Distribution Plan and Appoint a Distribution Agent in this matter.

A copy of the Distribution Plan with exhibits is attached for your review. To protect personally identifiable information, the names of Eligible Recipients have not been made public. To assist in your review of the Distribution Plan, please note that you are Eligible Recipient # ___ in the distribution chart attached to the Distribution Plan. Also please note that the staff of the Commission has calculated your *pro rata* share of the Net Distribution Fund to be \$ _____.

In order to send your distribution payment, we must have the following information:

1. Please complete and sign the enclosed IRS Form W-9 and return it as soon as possible in the reusable UPS envelope provided or email it to:

Keshia W. Ellis, Esq.
elliskw@sec.gov

Should you have any questions or concerns, please feel free to contact me at (202) 551-4406.

Regards,

Keshia W. Ellis, Esq.
Securities and Exchange Commission
Senior Counsel, Office of Distributions
Division of Enforcement

Enclosure:
Distribution Plan w/ Exhibit