

Exhibit 1

~~http://forex.osirisfx.com/about/~~

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ABOUT OSIRIS FX

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Osiris FX Ltd is a BVI-Registered Corporation offering the flexibility of an Offshore solution with the security of having funds held on deposit with a UK Onshore FSA Regulated Clearing House.

Offering a full range of class-leading trading platforms and a direct market access business model, Osiris FX also boasts an impressive roster of experienced FX Trading Professionals for those institutions or HNW individuals who prefer their accounts to be traded on their behalf. Our traders have many years collective experience in Institutional FX Trading going back to the "open-outcry" trading days, and we cover a range of strategies from conservative to aggressive, manual to algorithmic.

Our newly launched Forex Funds, will allow us to offer our clients a formal structured entry into Managed FX Trading with independent Administration, Auditing and Financial Management. Please contact us for further information.

Osiris FX is the solution to a series of problems we all face as Currency Traders. Let's examine them one by one and look at how the unique blend of talents here at Osiris combines to deliver the best Forex trading solution available.

Dealing Desks.

Did you know that most brokers feature a dealing desk, where traders are employed to trade AGAINST the broker's clients? Imagine that... as if it isn't hard enough trading the most volatile market in the world, to get to it you also have to beat the broker's own trading team, whose job it is to try to help you lose your money so they can profit by being on the other side of your losing trade.

The Osiris Way: We maintain NO dealing desk and do not get involved in your

Exhibit 2

~~mailto:osirisfx@osirisfx.com~~

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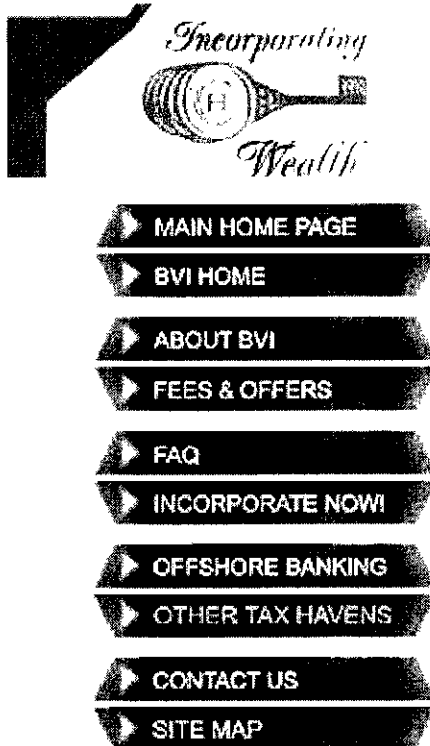
Intershore Chambers,
PO Box 4342, Road Town,
Tortola,
British Virgin Islands.

Email: info@osirisfx.com

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Exhibit 3



British Virgin Islands IBC's Have the Following Features and Advantages:

Progressive legislation

The British Virgin Islands IBC legislation was introduced in 1984 but was developing and subsequently amended taking into consideration the changes required by the persons providing BVI offshore services.

Efficient Incorporation/Registration

Under normal circumstances, BVI Corporations can be incorporated/Registered within 3 working days.

Flexibility in company structure of an offshore British Virgin Islands Company.

- Only one director or shareholder required for the company formation.
- Shareholder(s) and director(s) may be the same person.
- The shareholder(s) and director(s) can be a natural person or a corporate body.
- There is no requirement of appointing local shareholder(s) and director(s) for British Virgin Island Companies.
- There is no requirement of resident secretary.

Privacy for identity of principals

The BVI incorporation documents do not carry the name or identity of any shareholder or director. The names or identities of these persons do not appear in any public record.

Confidentiality

Shareholder(s) and director(s) nominee services are allowed to ensure confidentiality of beneficiaries.

Exhibit 4



Anthony Manterfield

Owner, Osiris FX

Valencia Area, Spain Investment Management

Current	• Owner at Osiris FX
Past	• Alternative Investment Strategist, Head of FX Trading at Several Private Funds
Education	• The University of Manchester
Connections	4 connections

Anthony Manterfield's Summary

20 years experience in Investment business, working and consulting with banks, Funds, HNWI Individuals and Family Offices. An alternative investment strategist I design principal protection programs which release capital to participate in more volatile instruments.

My primary field is Currency Trading, Spot, Forwards, Futures & Options. I also consult on the formation and location of Investment Funds, the various types and structures and who are the preferred third-party service providers.

Specialties

Currencies and Funds.....every aspect.

Anthony Manterfield's Experience

Owner

Osiris FX

Investment Management industry

Currently holds this position

Alternative Investment Strategist, Head of FX Trading

Several Private Funds

Investment Management industry

January 1993 – January 2008 (15 years 1 month)

Designer of principal protection strategies, development of alternative investment vehicles and experienced forex trader with consistent results.

Anthony Manterfield's Education

The University of Manchester

MBA, Business, Economics, Politics
1981 – 1986

Anthony Manterfield's Additional Information

Interests: I hold a Private Pilot Licence and enjoy flying. I also enjoy fine wines, although not at the same time as flying (well it gets turbulent sometimes and I don't want to drop any).

Honors and Awards: 3rd place "knobbly knees" contest at our Summer Fayre in 1985

Anthony Manterfield's Contact Settings

Interested In

consulting offers	new ventures
expertise requests	business deals
reference requests	getting back in touch

View Anthony Manterfield's full profile to...

- See who you and **Anthony Manterfield** know in common
- Get introduced to **Anthony Manterfield**
- Contact **Anthony Manterfield** directly

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Exhibit 5

1 give you a round figure. I don't know the exact
2 amount. Approximately \$30,000.

3 Q. And how much did Alpari Ltd. pay you?

4 A. Approximately, again, \$500.

5 Q. Do you know who the principals of Osiris FX are?

6 A. Yes.

7 Q. And what would their names be?

8 A. Anthony Manterfield and Benjamin Joynes, J-o-y-n-e-s.

9 Q. Are there any other principals?

10 A. Not to my knowledge.

11 Q. Do you know who the principals of Alpari Ltd. are?

12 A. I do not.

13 Q. Before you entered into business relationships with
14 Osiris and Alpari, did you perform any due diligence
15 regarding the companies or their principals?

16 A. Yes.

17 Q. What sort of due diligence did you perform?

18 A. Just web research, general forum reputation for the
19 firms. That's basically it.

20 Q. Do you know whether any of these individuals have
21 criminal records or have they been the subject of any
22 regulatory investigations?

23 A. It has been brought to my knowledge recently, yes.

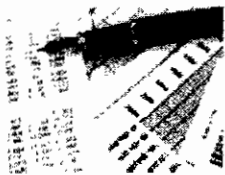
24 Q. But not when you performed the initial due diligence?

Exhibit 6

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An Osiris FX Trading Partnership provides:

- Complete Security of Capital.
- A Wealth of Institutional FX Trading Experience.
- 24 Hour Global Market Coverage.
- Proven, Diversified and Risk-Mitigated Strategies.
- No Lock-in Period, No Notice Period, No Lengthy Contracts.
- Excellent Fee Structure.
- Onshore European Base with US and Asia Trading facilities.
- Your capital remains in your account at Osiris FX.
- It never leaves your direct and complete control.



New!

Independently verified
results from the Osiris FX
Tracking Account.

See the Performance
Page for details.
Register Now . . .

Osiris FX welcomes enquiries from institutional entities and High Net Worth individuals with a view to establishing new partnerships.

However, whilst there is no limit to the dollar amount we are able to trade on our clients' behalf, capacity is limited because Osiris FX is employed to trade each individual client's own account, and so there is a limit to the number of separate individual accounts which can comfortably be traded. As a result from time to time we must operate a "waiting list" of interested clients. Please contact us to discuss current capacity.

Exhibit 7

THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE SECRETARY OF THE COMMONWEALTH
SECURITIES DIVISION
ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

2007 APR 13 AM 11:18
SECURITIES DIVISION

IN THE MATTER OF:)

LYDIA CAPITAL ALTERNATIVE)
INVESTMENT FUND,)
LYDIA CAPITAL, LLC,)
EVAN ANDERSEN, and)
GLENN MANTERFIELD)
RESPONDENTS)

Docket No. 2007-0021

**ADMINISTRATIVE COMPLAINT AND EX PARTE MOTION FOR A TEMPORARY
ORDER TO CEASE AND DESIST**

I. PRELIMINARY STATEMENT

The Enforcement Section of the Massachusetts Securities Division of the Office of the Secretary of the Commonwealth (respectively "Enforcement Section" or "Division") files this Administrative Complaint ("Complaint") in order to commence an adjudicatory proceeding against the above-named Respondents for violating the Massachusetts Uniform Securities Act, M.G.L. c. 110A ("Act") and relevant regulations, 950 C.M.R. 10.00 *et. seq.* ("Regulations"). The Enforcement Section seeks an immediate Order of the Division requiring Respondents to temporarily cease and desist from further violations of the Act as well as after hearing for an Order of the Division requiring Respondents to: 1) permanently cease and desist from violating the Act; 2) pay an administrative fine in an amount and upon such terms as the Director or Hearing Officer may determine; 3) to obtain an accounting of all securities sold to investors and to fairly compensate investors for those losses attributable to the alleged wrongdoing; 4) to disgorge all

profits realized as a result of Respondents' violations of the Act; and 5) to take such further action as may be deemed just and appropriate for the protection of investors.

II. SUMMARY

This is an action arising against Respondents from violations of the securities laws. Respondents, Evan Andersen ("Andersen") and Glenn Manterfield ("Manterfield") are the principals of an SEC registered investment adviser called Lydia Capital, LLC ("Lydia Capital"). Lydia Capital, which Notice Filed with the Division on February 24, 2006, manages one hedge fund called the Lydia Capital Alternative Investment Fund, LP ("Lydia Fund").

The Lydia Fund, Lydia Capital, Andersen and Manterfield have repeatedly engaged in actions that have defrauded investors in the Lydia Fund. The fraudulent activities have included materially misleading investors by use of a Private Placement Memorandum and other offering materials with respect to the risks, investments and operation of the Lydia Fund. Additionally, Lydia Capital, Andersen and Manterfield have taken millions of dollars from the Lydia Fund even though they have not met the terms under which they were permitted to charge those funds.

In the course of the Division's investigation, Respondents provided incorrect and misleading information to the Division and were not able to provide the Division with even the most basic business records in a timely fashion or in accordance with the books and records requirements of registered investment advisers.

III. JURISDICTION & AUTHORITY

1. The Massachusetts Securities Division is a division of the Office of the Secretary of the Commonwealth with jurisdiction over matters relating to securities, as provided for by the Act. The Act authorizes the Division to regulate: 1) offers and/or sales of securities;

- 2) those individuals offering and/or selling securities; and 3) those individuals transacting business as investment advisors within the Commonwealth.
2. This proceeding is brought in accordance with the Act and its Regulations. Specifically, the acts and practices constituting violations occurred primarily in the Commonwealth of Massachusetts.
 3. The Division allows this action pursuant to the enforcement authority conferred upon it by section 407A of the Act and M.G. L. c. 30A, wherein the Division has the authority to conduct an adjudicatory proceeding to enforce the provisions of the Act and all Regulations and rules promulgated thereunder.
 4. The Enforcement Section specifically reserves the right to amend this Complaint and/or bring additional administrative complaints to reflect information developed during the current and ongoing investigation.

IV. RELEVANT TIME PERIOD

5. Except as otherwise expressly stated, the conduct described herein occurred during the approximate period of January 1, 2006 through the present.

V. RESPONDENTS

6. Evan Andersen, 25, is a natural person with a last known address of 43 Winter Street #6, Boston, MA 02108. Andersen is one of Lydia Capital's two principals.
7. Glenn Manterfield is a natural person and is believed to be a resident of Sheffield, United Kingdom, and is one of Lydia Capital's two principals.
8. Lydia Capital, LLC is a Delaware limited liability company established in February 2006, and is headquartered in Boston, Massachusetts. Lydia Capital is a registered investment adviser to Lydia Capital Alternative Investment Fund, L.P.

9. Lydia Capital Alternative Investment Fund, an unregistered fund located in Boston, Massachusetts, is a Delaware limited partnership engaged in buying and selling life settlements (or life insurance policies).

VI. RESPONDENTS' CONDUCT

10. Lydia solicits investors for the Fund using a Private Placement Memorandum ("PPM"), a website located at <http://www.lydiacapital.com> ("Website"), newsletters and other materials.
11. Through finders and/or brokers in Asia, Lydia Capital has raised approximately \$33 million in investments in the Lydia Fund from approximately 57 investors in Taiwan.
12. According to the Lydia Fund PPM, Lydia Capital receives a management fee of 2% per year paid quarterly and 20% of the profits generated by the Lydia Fund.
13. According to Andersen, Lydia has never been paid the management fee referred to in the preceding paragraph.
14. The PPM states that the Lydia Fund purchases life insurance policies in the life settlement after-market on insured individuals aged 65 or older with a life expectancy of between two and ten years.
15. The Lydia Fund PPM from August 2006, states that:
- "The General Partner intends to purchase life insurance policies through its contacts and resell such policies to the Partnership to become a part of the Partnership's portfolio. The General Partner intends to sell policies to the Partnership for a minimum mark-up of 3% to 5% of the face value of the policy. It is important to note that the General Partner is the sole supplier of life settlement policies to the Partnership and therefore there is a potential conflict of interest between the General Partner and the Partnership because the General Partner will purchase and then sell the life settlement policies to the Partnership at a mark-up to the price it paid for such policy."*

16. On information and belief, Lydia Capital has never purchased a life settlement policy for its own account and resold the policy to Lydia Fund.
17. On information and belief, Lydia Capital's agents, the secondary market "life settlement" specialists SLS West of Tipton, Indiana and The Stamford Group, Inc. of Irvine, California, solicit individual seniors to purchase life insurance policies by obtaining a medical underwriter's evaluation of the life expectancy of those individuals prior to the individual applying for a life insurance policy.
18. On information and belief, SLS and Stamford Group broker the sale of life settlement policies to the Lydia Fund and have been granted discretionary authority on behalf of the Lydia Fund to purchase life settlement policies on behalf of the Lydia Fund.
19. On information and belief, neither Lydia Capital, Andersen nor Manterfield review life settlement policies and related documentation prior to Lydia Capital's funds being committed to the purchase of life settlement policies.
20. On information and belief, on approximately half of the applications for life insurance purchased by the Lydia Fund, the original policyholders falsely claimed that they had no intention to sell their policies, when in fact, they obtained policies intending to sell them to Lydia's agents (SLS or Stamford Group).
21. On information and belief, life insurance companies have a right to rescind the aforementioned policies based on false representations in the application. Rescission would render the policies worthless and diminish or obliterate the value of the Lydia Fund.

22. If Lydia Capital had purchased and then resold the life settlement policies to the Lydia Fund as explained in the PPM, Andersen and Manterfield would have known – or should have known – of the false applications for life insurance and the risk of rescission.
23. Neither Lydia Capital, Manterfield nor Anderson earned the 3% to 5% minimum markup disclosed in the PPM because they did not purchase and then resell the life settlement policies to the Lydia Fund.
24. Neither Lydia Capital, Manterfield nor Anderson earned the 3% to 5% minimum markup disclosed in the PPM because they did not perform due diligence on the life settlement policies prior to Lydia Capital's funds being committed to the purchase of the life settlement policies.
25. Neither Lydia Capital, Manterfield nor Anderson were entitled to take the 3% to 5% minimum markup disclosed in the PPM.
26. Lydia Capital, Andersen and/or Manterfield have taken the 3% to 5% minimum markup on most if not all of the life settlement policies owned by the fund.
27. Lydia Capital, Manterfield and Andersen have misappropriated assets from the Fund by drawing funds, fees, compensation and/or expenses to which they were not entitled.
28. Lydia Capital, Manterfield and Andersen knew or should have known of the material risk of rescission of the life insurance policies.
29. On information and belief, Lydia Capital, Manterfield and Andersen set into motion the process whereby individuals would obtain life insurance policies by making false statements.
30. Respondents took possession of the policies and fraudulent applications after the Lydia Fund's purchase of the policies from the individuals.

31. The Lydia Fund's PPM misleads investors by omitting this significant risk, and by failing to disclose that the value of the Lydia Fund is dependent on numerous insurance policies that have been obtained through false statements.
32. Lydia Capital's Website contains false and misleading postings of the Lydia Fund's net asset value ("NAV") appreciation.
33. Lydia Capital has no legitimate basis for its valuations of the Lydia Fund because the valuations it is posting on the Website are from non-independent sources – SLS West and Stamford Group, the entities that sell the insurance policies to the Lydia Fund.
34. The Website states that the NAV appreciation for July 2006 was 1.69%, when in fact, the Lydia Fund held no assets until it purchased its first policy in August 2006.
35. Lydia Capital, Manterfield and Andersen knew or should have known that until August 2006, the Lydia Fund had no actual life settlement policies upon which to obtain appreciation.
36. Lydia Capital, Manterfield and Andersen used the Website and the false statements therein to solicit actual and potential investors.
37. Lydia Capital's September 2006 newsletter stated that the Lydia Fund had created offices in Singapore and Mexico.
38. Lydia Capital never opened offices in Singapore or Mexico.
39. Lydia Capital's September 2006 newsletter indicated that investors from South America and funds-of-funds from the United States and Europe had joined the Lydia Fund. The newsletter also stated that investors from Taiwan accounted for a minority of overall investments in the Lydia Fund.
40. Lydia Capital has never had any investors from anywhere but Taiwan.

41. Lydia Capital's December 2006 newsletter stated that Nordic Mutual, a Scandinavian private financial institution had begun offering a "structured note" linked to Lydia Capital.
42. In fact, Nordic Mutual was an entity created by Manterfield and Andersen, and had never offered the structured notes.
43. On information and belief, Lydia Capital created Nordic Mutual to lead investors to believe that Lydia Capital had the confidence of other financial institution.
44. The Lydia Fund's February 2007 newsletter to investors in the Lydia Fund, signed by Glenn Manterfield, repeated the false July 2006 appreciation and states that it was the "best ever" increase in NAV for the Fund.
45. Approximately \$8.8 million in investor funds have been wired to a Smith Barney account in the name of Lydia Fund that is controlled by Andersen.
46. On information and belief, investors have wired money to this account as recently as April 11, 2007.
47. The Division learned on April 12, 2007 that Andersen wants to move the money out of the Smith Barney account.
48. Further, investor funds are in accounts of an escrow agent for Lydia, including an account at National City Bank in Cleveland.

Providing False Information to the Division

49. On or about March 1, 2007 the Division sent a document request to Lydia Capital, requiring that Lydia provide "Indication of the name, institution, and account numbers for every bank, brokerage and other account controlled by Lydia Fund."

50. On or about March 7, 2007, Lydia Capital informed the Division that the only bank account for Lydia Fund was an account at JP Morgan Chase in the name of Lydia Capital Alternative Investment Fund, LP (c/o Dundee Leeds).
51. After March 7, 2007, the Division learned that Lydia Capital had closed the bank account for Lydia Fund at JP Morgan Chase and had opened a new bank account at Bank of America in the name of Lydia Capital Alternative Investment Fund, LP on February 2, 2007.

VI. CONCLUSIONS OF LAW

Violations of § 101

52. Paragraphs 1 through 51 are incorporated herein
53. Section 101 of the Act states in relevant part:

“ It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly (1) to employ any device, scheme, or artifice to defraud, (2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or (3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.
54. By taking fees, commissions and/or markups in contravention of the PPM, Andersen violated Section 101 of the Act.
55. By failing to operate the Lydia Fund in accordance with the PPM, Andersen violated Section 101 of the Act.
56. By failing to apprise investors of the risks of the fund in the PPM, Andersen violated Section 101 of the Act.
57. By directly and/or indirectly providing private placement memoranda, newsletters and other information to investors that contained untrue statements of material fact and/or

omitted to state material facts necessary in order to make the statements made not misleading, Andersen violated Section 101 of the Act.

58. By taking fees, commissions and/or markups in contravention of the PPM, Manterfield violated Section 101 of the Act.
59. By failing to operate the Lydia Fund in accordance with the PPM, Manterfield violated Section 101 of the Act.
60. By failing to apprise investors of the risks of the fund in the PPM, Manterfield violated Section 101 of the Act.
61. By directly and/or indirectly providing private placement memoranda, newsletters and other information to investors, that contained untrue statements of material fact and/or omitted to state material facts necessary in order to make the statements made not misleading, Manterfield violated Section 101 of the Act.
62. By taking fees, commissions and/or markups in contravention of the PPM, Lydia Capital violated Section 101 of the Act.
63. By failing to operate the Lydia Fund in accordance with the PPM, Lydia Capital violated Section 101 of the Act.
64. By failing to apprise investors of the risks of the fund in the PPM, Lydia Capital violated Section 101 of the Act.
65. By directly and/or indirectly providing private placement memoranda, newsletters and other information to investors, that contained untrue statements of material fact and/or omitted to state material facts necessary in order to make the statements made not misleading, Lydia Capital violated Section 101 of the Act.

Violations of § 102

66. Paragraphs 1 through 51 are incorporated herein
67. Section 102 of the Act reads in relevant part:

“It is unlawful for any person who receives, directly or indirectly, any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise (1) to employ any device, scheme, or artifice to defraud the other person, or (2) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person.”
68. By taking fees, commissions and/or markups in contravention of the PPM, Andersen violated Section 102 of the Act.
69. By failing to operate the Lydia Fund in accordance with the PPM, Andersen violated Section 102 of the Act.
70. By failing to apprise investors of the risks of the fund in the PPM, Andersen violated Section 102 of the Act.
71. By directly and/or indirectly providing private placement memoranda, newsletters and other information to investors, that contained untrue statements of material fact and/or omitted to state material facts necessary in order to make the statements made not misleading, Andersen violated Section 102 of the Act.
72. By taking fees, commissions and/or markups in contravention of the PPM, Manterfield violated Section 102 of the Act.
73. By failing to operate the Lydia Fund in accordance with the PPM, Manterfield violated Section 102 of the Act.
74. By failing to apprise investors of the risks of the fund in the PPM, Manterfield violated Section 102 of the Act.

75. By directly and/or indirectly providing private placement memoranda, newsletters and other information to investors, that contained untrue statements of material fact and/or omitted to state material facts necessary in order to make the statements made not misleading, Manterfield violated Section 102 of the Act.
76. By taking fees, commissions and/or markups in contravention of the PPM, Lydia Capital violated Section 102 of the Act.
77. By failing to operate the Lydia Fund in accordance with the PPM, Lydia Capital violated Section 102 of the Act.
78. By failing to apprise investors of the risks of the fund in the PPM, Lydia Capital violated Section 102 of the Act.
79. By directly and/or indirectly providing private placement memoranda, newsletters and other information to investors, that contained untrue statements of material fact and/or omitted to state material facts necessary in order to make the statements made not misleading, Lydia Capital violated Section 102 of the Act.

VII. NEED FOR TEMPORARY RELIEF

This ongoing behavior indicates that the Respondents may attempt to further defraud investors by making fraudulent offers and sales of securities from or in the Commonwealth. A summary suspension is in the public interest and is necessary to protect investors from irreparable financial harm and to protect the integrity and reputation of the Massachusetts securities industry.

VIII. PUBLIC INTEREST

80. For any and all of the reasons set forth above, it is in the public interest and will protect Massachusetts investors to immediately issue an Order of the Division requiring

Respondents to temporarily cease and desist from further violations of the Act as well as after hearing for an Order of the Division requiring Respondents to: 1) permanently cease and desist from violating the Act; 2) pay an administrative fine in an amount and upon such terms as the Director or Hearing Officer may determine; 3) to obtain an accounting of all securities sold to investors and to fairly compensate investors for those losses attributable to the alleged wrongdoing; 4) to disgorge all profits realized as a result of Respondents' violations of the Act; and 5) to take such further action as may be deemed just and appropriate for the protection of investors.

IX. STATUTORY BASIS FOR RELIEF

81. Section 407A(a) of the Act states:

If the secretary determines, after notice and an opportunity for hearing, that any person has engaged in or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order issued there under, he may order such person to cease and desist from such unlawful act or practice and may take such affirmative action, including the imposition of an administrative fine, the issuance of an order for an accounting, disgorgement, or rescission or any other such relief as in his judgment may be necessary to carry out the purposes of [the Act].

82. Section 407A(b) of the Act states that

"If the secretary makes written findings of fact that the public interest will be irreparably harmed by delay in issuing an order under subsection (a), the secretary may issue a temporary cease and desist order."

X. RELIEF REQUESTED

83. Wherefore, the Enforcement Section of the Division requests that the Director or Hearing Officer take the following action: find as fact the allegations set forth in paragraphs 1 to 51 of the Complaint, immediately issue an Order of the Division requiring Respondents to temporarily cease and desist from further violations of the Act as well as after hearing for an

Order of the Division requiring Respondents to: 1) permanently cease and desist from violating the Act; 2) pay an administrative fine in an amount and upon such terms as the Director or Hearing Officer may determine; 3) to obtain an accounting of all securities sold to investors and to fairly compensate investors for those losses attributable to the alleged wrongdoing; 4) to disgorge all profits realized as a result of Respondents' violations of the Act; and 5) to take such further action as may be deemed just and appropriate for the protection of investors.

ENFORCEMENT SECTION
MASSACHUSETTS SECURITIES DIVISION

By: Nathaniel Orenstein / MTR
Nathaniel Orenstein, Staff Attorney
Michael Regan, Staff Attorney
Patrick J. Ahearn, Chief of Enforcement

Massachusetts Securities Division
One Ashburton Place, Room 1701
Boston, Massachusetts 02108
(617) 727-3548

April 13, 2007

THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE SECRETARY OF THE COMMONWEALTH
SECURITIES DIVISION
ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

IN THE MATTER OF:

LYDIA CAPITAL ALTERNATIVE
INVESTMENT FUND,
LYDIA CAPITAL, LLC,
EVAN ANDERSEN, and
GLENN MANTERFIELD
RESPONDENTS

Docket No. 2007-0021

2007 APR 13 AM 11:18

NOTICE OF ADJUDICATORY PROCEEDING


Please take notice that William Francis Galvin, Secretary of the Commonwealth, by his Securities Division ("Division") is seeking: 1) to obtain a temporary cease and desist order barring Respondents from acting as an investment adviser and investment adviser representatives and, after hearing, to obtain a permanent cease and desist barring the same; 2) pay an administrative fine in an amount and upon such terms as the Director or Hearing Officer may determine; 3) to obtain an accounting of all securities sold to investors and to fairly compensate investors for those losses attributable to the alleged wrongdoing; 4) to disgorge all profits realized as a result of Respondents' violations of the Act; and 5) to take such further action as may be deemed just and appropriate for the protection of investors.

Respondents have the right to request an adjudicatory hearing at which they may show good cause why such an order should not be entered. The adjudicatory proceeding is governed by Massachusetts General Laws, chapter 110A and by the Rules set forth in Title 950 of the Code of Massachusetts Regulations beginning at section 10.00.

The matters of fact and law in the proceeding are set forth in the Administrative Complaint, Motion For Summary Suspension Of Registration And Ex Parte Motion For A Temporary Order To Cease And Desist, a copy of which is filed and served herewith.

In accordance with 950 CMR section 10.06(e), Respondents must file an answer to each allegation set forth in the Administrative Complaint within twenty-one days (21) after service upon Respondents. A respondent who fails to file a timely answer may be deemed to be in default, and the allegations of the Administrative Complaint may thereupon be accepted as true and the proceedings determined against the defaulting party by issuance of a final order.

WILLIAM FRANCIS GALVIN
SECRETARY OF THE COMMONWEALTH



Diane Young Spitzer
Associate Director & General Counsel
Securities Division
One Ashburton Place
Room 1701
Boston, Massachusetts 02108
(617)727-3548

Dated: April 13, 2007

THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE SECRETARY OF THE COMMONWEALTH
SECURITIES DIVISION
ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

IN THE MATTER OF:

LYDIA CAPITAL ALTERNATIVE
INVESTMENT FUND,
LYDIA CAPITAL, LLC,
EVAN ANDERSEN, and
GLENN MANTERFIELD

Docket No. 2007-0021

2007 APR 13 AM 11:19

**ORDER FOR PROCEEDING AND ALLOWANCE OF EX-PARTE MOTION
FOR A TEMPORARY ORDER TO CEASE AND DESIST**

1. William Francis Galvin, Secretary of the Commonwealth, by his Securities Division ("Division") commences this adjudicatory proceeding against Respondents.
2. This proceeding is commenced pursuant to the provisions of M.G.L. ch. 30A, the Massachusetts Uniform Securities Act ch. 110A ("Act") and 950 CMR.10.00 et seq. ("Regulations").
3. Section 101 of the Act, entitled "Sales and Purchases," states in relevant part:
"It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly: (1) to employ any device, scheme, or artifice to defraud, (2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or (3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person."

4. Section 102 of the Act, entitled "Advisory Activities," reads in relevant part:

"It is unlawful for any person who receives, directly or indirectly, any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise (1) to employ any device, scheme, or artifice to defraud the other person, or (2) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person."
5. Section 407A(a) of the Act states that:

"If the secretary determines, after notice and opportunity for hearing, that any person has engaged in or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order thereunder, he may order such person to cease and desist from such unlawful act or practice..."
6. Section 407A(b) of the Act provides in pertinent part:

"If the secretary makes written findings of fact that the public interest will be irreparably harmed by delay in issuing an order under subsection (a), the secretary may issue a temporary cease and desist order . . ."
7. Section 407(d) of the Act provides:

No person is excused from attending and testifying or from producing any document or record before the secretary, or in obedience to the subpoena of the secretary or any officer designated by him, or in any proceeding instituted by the secretary, on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty of forfeiture; but no individual may be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after claiming his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that the individual testifying is not exempt from prosecution and punishment for perjury or contempt committed in testifying.
8. Further, 950 CMR 10.06(c) provides in pertinent part:

...the Division may request a temporary order to cease and desist from the Presiding Officer. The request may be made *ex parte*.

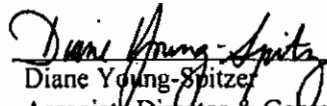
9. The Enforcement Section of the Division has filed an Administrative Complaint, and Ex Parte Motion for a Temporary Order to Cease and Desist ("Complaint").
10. Solely for the purposes of reaching a determination whether to allow the Division's Motion for Temporary Order to Cease and Desist, I have accepted the allegations and statements of fact set forth in their Complaint as true.
11. Again, accepting these facts as true, I find that based on the allegations set forth in the Complaint, Respondents have violated Section 101 of the Act.
12. Again, accepting these facts as true, I find that based on the allegations set forth in the Complaint, Respondents have violated Section 102 of the Act.
13. Again, accepting these facts as true, I find that based on the allegations set forth in the Complaint, a Temporary Cease and Desist Order is in the public interest and is necessary to protect investors from immediate ongoing and irreparable financial harm.
14. Again, accepting these facts as true for this limited purpose, I make this finding because of the on-going nature of Respondents' alleged fraud.
15. Wherefore having made the above findings of fact and determining that it is in the public interest and necessary for the protection of investors and consistent with the purposes of the Act,

IT IS HEREBY ORDERED: Respondents shall immediately Cease and Desist from violating the Act.

1. The above Order is hereby issued ex parte and is effective immediately upon signing of this Order.

2. A copy of the Division's Complaint and this Order shall be served via certified mail, return receipt requested, or in a manner permissible under the laws of the state in which they reside, on Respondents as provided for by these Rules.
3. Respondents are hereby notified that pursuant to section 407A(b) of the Act and section 10.06 of the Regulations, that they have a right to request an administrative hearing and that such hearing must be set down within twenty (20) days after receipt by the Division of Respondents' written request for such hearing. Said hearing will be held to determine if this Order shall be modified, vacated or extended until final determination.

WILLIAM FRANCIS GALVIN
Secretary of the Commonwealth

By: 
Diane Young-Spitzer
Associate Director & General Counsel
Securities Division
One Ashburton Place
Room 1701
Boston, Massachusetts 02108
(617) 727-3548

Dated: April 13, 2007

THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE SECRETARY OF THE COMMONWEALTH
SECURITIES DIVISION
ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

IN THE MATTER OF:

Docket No. 2007-0021

LYDIA CAPITAL ALTERNATIVE
INVESTMENT FUND,
LYDIA CAPITAL, LLC,
EVAN ANDERSEN, and
GLENN MANTERFIELD
RESPONDENTS

CERTIFICATE OF SERVICE

I hereby certify under penalty of perjury that on April 13, 2007, I caused a true and accurate copy of the foregoing Administrative Complaint, Ex- Parte Motion for a Temporary Order to Cease and Desist, Notice of Adjudicatory Proceeding, and Order for Proceeding and Allowance of Ex-Parte Motion for Temporary Order to Cease and Desist to be served by certified mail, return receipt requested, postage and fees prepaid (unless otherwise specified) to each of the following parties:

Evan Karl Andersen
Lydia Capital, LLC
28 State Street, 11th Floor
Boston, MA 02108

Glenn Manterfield
Lydia Capital, LLC
28 State Street, 11th Floor
Boston, MA 02108

Lydia Capital, LLC
28 State Street, 11th Floor
Boston, MA 02108

Evan Karl Andersen
43 Winter Street, #6
Boston, MA 02108

Mauro W. Wolfe, Esq.
Dickstein Shapiro LLP
1177 Avenue of the Americas
New York, New York 10036-2714

Aismara J. Abreu
Herrick, Feinstein LLP
Two Park Avenue
New York, NY 10016

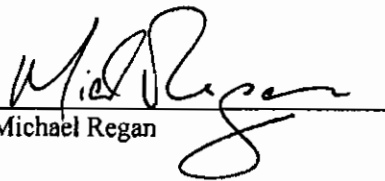

Michael Regan

Exhibit 8

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U.S. Securities and Exchange Commission

U.S. SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 20102 / May 3, 2007

SEC v. Lydia Capital, LLC et al., Civil Action No. 07-10712-RGS (D.Mass. April 12, 2007).

SEC Obtains Emergency Relief, Including an Asset Freeze, Against Massachusetts Hedge Fund Manager

Court Freezes at least \$13 Million

The Securities and Exchange Commission (Commission) announced that today the U.S. District Court in Boston will issue a preliminary injunction order that, among other things, continues a freeze on the assets of a Boston-based hedge fund adviser and its principals. On April 12, 2007, the Commission filed an emergency action in the federal district court in Massachusetts against Lydia Capital, LLC, a registered investment adviser based in Boston, Massachusetts, and its two principals, Glenn Manterfield, of Sheffield, England and Evan Andersen, of Boston, Massachusetts. The Commission filed an Amended Complaint against all three defendants on May 1, 2007. The Commission's Amended Complaint alleges that, between June 2006 and April 2007, Manterfield and Andersen, acting through Lydia, engaged in a scheme to defraud more than 60 investors, who invested approximately \$34 million in Lydia Capital Alternative Investment Fund LP (Fund), an unregistered hedge fund managed by Lydia.

The Amended Complaint alleges that defendants told investors that they intended to use the Fund's assets to acquire a portfolio of life insurance policies in the life settlement market. According to the Amended Complaint, while the Fund did acquire interests in some insurance policies, defendants materially misled investors about their operations and misappropriated at least \$2 million of investor funds. According to the Amended Complaint, Manterfield, Andersen, and Lydia sold limited partnership interests and retained investors in the Fund through a series of material misrepresentations and omissions, including but not limited to: (1) materially overstating, and in some instances completing fabricating the Fund's performance; (2) inventing business partners, offices, and investors in an attempt to legitimize the firm and concealing the truth as to why key vendors and banks ceased relationships with the Defendants; (3) lying about Manterfield's significant criminal history, and failing to disclose a February 2007 criminal asset freeze in England; (4) lying about how the Fund planned to address certain material risks and failing to disclose others; and (5) misstating the nature of the Fund's assets and its investment process. In addition to making serious material misrepresentations and omissions, the Amended Complaint alleges that Manterfield and Andersen misappropriated millions of dollars of investors' funds by withdrawing investor monies to which they were not entitled.

On April 12, 2007, in response to the Commission's request for emergency relief, the Court issued a temporary restraining order that, among other things, froze defendants' assets. On May 3, 2007, following a hearing before the Court on May 2, 2007, the Court issued a consented-to preliminary injunction and ordered a continuation of an asset freeze of the defendants' assets.

The Commission's Amended Complaint alleges that defendants violated Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and Sections 206(1) and 206(2) of the Investment Advisers Act of 1940.

The Commission acknowledges the assistance of the Securities Division of the Secretary of State of the Commonwealth of Massachusetts, which also filed an action against the parties on April 13, 2007.

► [SEC Complaint in this matter](#)

<http://www.sec.gov/litigation/litreleases/2007/lr20102.htm>

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Modified: 05/03/2007

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U.S. SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 21528 / May 21, 2010

SEC v. Lydia Capital, LLC et al., U.S. District Court for the District of Massachusetts, 07-CV-10712-RGS

U.S. District Court Enters Final Judgment Against Massachusetts Investment Adviser and U.S. Court of Appeals Affirms Default Judgment Against Hedge Fund Manager in Fraud Scheme

The Securities and Exchange Commission announced today that the U.S. District Court for the District of Massachusetts entered a Final Judgment by consent on May 18, 2010 in a previously-filed enforcement action against defendant Lydia Capital, LLC, an investment adviser based in Boston, Massachusetts. The judgment was entered in connection with a civil injunctive action filed in April 2007 by the Commission against Lydia Capital and its two principals, Glenn Manterfield and Evan Andersen. The Final Judgment enjoined Lydia Capital from engaging in future violations of the antifraud provisions of the federal securities laws.

The Commission also announced that on May 6, 2010, the United States Court of Appeals for the First Circuit rejected an appeal by Manterfield, a citizen of the United Kingdom, seeking to overturn the District Court's Default Judgment entered against him on April 8, 2009. In its decision, the First Circuit held that the District Court did not abuse its discretion in entering a Default Judgment against Manterfield. The Judgment entered against Manterfield permanently enjoined him from violating Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Investment Advisers Act of 1940. The Judgment further holds Manterfield liable for \$2,350,000 million in disgorgement of ill-gotten gains, plus prejudgment interest of \$425,998, and a civil penalty in the amount of \$130,000.

The Commission originally filed its action against Lydia Capital, Manterfield and Andersen on April 12, 2007 in the U.S. District Court in Massachusetts and filed an Amended Complaint on May 1, 2007. The Amended Complaint alleged that from June 2006 through April 2007, Manterfield and Andersen, acting through Lydia Capital, engaged in a scheme to defraud more than 60 investors, who invested approximately \$34 million in Lydia Capital Alternative Investment Fund LP, a hedge fund managed by Lydia Capital. The Amended Complaint alleged that defendants told investors that they intended to use the hedge fund's assets to acquire a portfolio of life insurance policies in the life settlement market. According to the Amended Complaint, Manterfield, Andersen, and Lydia made a series of material misrepresentations and omissions, including: (1) materially overstating, and in some instances completely fabricating the hedge fund's performance; (2) inventing business partners, offices, and investors in an attempt to legitimize the firm and concealing the truth as to why key vendors and banks ceased relationships with the defendants; (3) lying about Manterfield's significant criminal history, and failing to disclose a February 2007 criminal asset freeze against him in England; (4) lying about how the hedge fund planned to address certain material risks and failing to disclose others; and (5) misstating the nature of the hedge fund's assets and its investment process. In addition, the Amended Complaint alleged that Manterfield and Andersen took millions of dollars of investors' funds by withdrawing

investor monies to which they were not entitled.

On April 12, 2007, the U.S. District Court issued a temporary restraining order that, among other things, froze the three defendants' assets. On May 3, 2007, the Court issued a consented-to preliminary injunction and ordered a continuation of an asset freeze of the defendants' assets. On June 1, 2007, the Court appointed a Receiver for Lydia Capital. On September 16, 2008, the Court entered a Final judgment by consent against Andersen.

Without admitting or denying the SEC's allegations, Lydia Capital consented to the entry of a the judgment permanently enjoining it from violating Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Investment Advisers Act of 1940. The Final Judgment did not impose disgorgement or a civil penalty because Lydia Capital's remaining assets are being managed by a court-ordered receiver, who is expected to propose a plan to distribute any remaining assets to the fund's underlying investors.

In separate administrative proceedings to be instituted, Lydia Capital has also consented to the entry of an order revoking its registration as an investment adviser.

The Commission acknowledges the assistance of the Financial Services Authority of the United Kingdom and the Securities Division of the Secretary of State of the Commonwealth of Massachusetts, which also filed an action against the parties on April 13, 2007.

For more information, please see Litigation Release Nos. 20102 (May 3, 2007), 20585 (May 19, 2008), 20723 (September 17, 2008), 20872 (January 28, 2009) and 20993 (April 8, 2009).

<http://www.sec.gov/litigation/litreleases/2010/lr21528.htm>

Last modified: 5/21/2010

Exhibit 10

and collect. The Complaint further alleges that he provided the staff of the Enforcement Section of the Division with allegedly incorrect and misleading information during the course of the investigation. Since Andersen is proceeding with a settlement of the claims against him by the United States Securities and Exchange Commission ("SEC"), he seeks to conclude a parallel settlement with the Division.

II. JURISDICTION AND AUTHORITY

1. The Massachusetts Securities Division is a division of the Office of the Secretary of the Commonwealth with jurisdiction over matters relating to securities, as provided by the Massachusetts Uniform Securities Act, M.G.L. c. 110A (the "Act"). The Act authorizes the Division to regulate: (a) the offers, sales, and/or purchases of securities; (b) those individuals offering and/or selling securities; and (c) those individuals transacting business as broker-dealers and/or investment advisers within the Commonwealth.

III. RELEVANT TIME PERIOD

2. Except as otherwise expressly stated, the alleged conduct described herein occurred during the approximate period of January 1, 2006 through April 13, 2007 (the "Relevant Time Period").

IV. STATEMENT OF FACTS

3. For purposes of this Consent Order ("Order"), Andersen does not admit to the Statement of Facts set forth in the Complaint, or herein at paragraphs 4-26.

4. Between approximately January, 2007 and April 13, 2007, the Division conducted an active investigation into the investment operations and business practices of Evan Andersen. Andersen's hedge fund firm, Lydia Capital, was registered with the Division

through a Notice Filing on February 24, 2006. The Division filed an Administrative Complaint on against Lydia Capital, Andersen, and Glenn Manterfield on April 13, 2007.

5. Lydia Capital raised approximately \$33 million in investments for the Lydia Fund from approximately 57 investors in Taiwan.

6. The investment program managed by Andersen from his office in Boston, Massachusetts involved the purchases of life insurance policies in the Life Settlement market.

7. The Lydia Fund PPM from August 2006, states that:

"The General Partner intends to purchase life insurance policies through its contacts and resell such policies to the Partnership to become a part of the Partnership's portfolio. The General Partner intends to sell policies to the Partnership for a minimum mark-up of 3% to 5% of the face value of the policy. It is important to note that the General Partner is the sole supplier of life settlement policies to the Partnership and therefore there is a potential conflict of interest between the General Partner and the Partnership because the General Partner will purchase and then sell the life settlement policies to the Partnership at a mark-up to the price it paid for such policy."

8. Lydia Capital's independent contractors solicited individual seniors to purchase life insurance policies by obtaining a medical underwriter's evaluation of the life expectancy of those individuals prior to the individual applying for a life insurance policy.

9. On approximately half of the applications for life insurance purchased by the Lydia Fund, the individuals falsely claimed that they had no intention to sell their policies, when in fact, they obtained policies intending to sell them to Lydia's independent contractors.

10. Life insurance companies have a right to rescind the aforementioned policies based on false representations in the application. Rescission would render the policies worthless and diminish or obliterate the value of the Lydia Fund.
11. Andersen did not review the life settlement policies and related documentation prior to Lydia Capital's funds being committed to purchase of the life settlement policies.
12. If Lydia Capital had purchased and then resold the life settlement policies to the Lydia Fund as explained in the PPM, Andersen would have known of the false applications for life insurance and the risk of rescission.
13. Anderson did not earn the 3% to 5% minimum markup disclosed in the PPM because Lydia Capital did not purchase and then resell the life settlement policies to the Lydia Fund.
14. Anderson did not earn the 3% to 5% minimum markup described in the PPM because he did not perform due diligence on the life settlement policies prior to committing the Lydia Fund's funds to purchasing the life settlement policies.
15. Lydia Capital, Andersen and/or Manterfield took the 3% to 5% minimum markup on most if not all of the life settlement policies owned by the fund.
16. Lydia Capital, Manterfield and Andersen have misappropriated assets from the Fund by drawing fees, compensation and expenses to which they were not entitled.
17. Andersen knew or should have known of the material risk of rescission of the life settlement policies because they set into motion the process whereby individuals would obtain the policies by making false statements and then the Respondents took possession of the policies and fraudulent applications after the Fund's purchase of the policies from the individuals.

18. The Lydia Fund's PPM misled investors by omitting this significant risk, and by failing to disclose that the value of the Lydia Fund is dependent on numerous insurance policies that have been obtained through false statements.
19. Lydia Capital's Website contained false and misleading postings of the Lydia Fund's net asset value ("NAV") appreciation during the Relevant Period.
20. Andersen used the Website and the false statements therein to solicit actual and potential investors.
21. Lydia Capital's September 2006 newsletter stated that the Lydia Fund had created offices in Singapore and Mexico.
22. Lydia Capital never opened offices in Singapore or Mexico.
23. Lydia Capital's September 2006 newsletter indicated that investors from South America and funds-of-funds from the United States and Europe had joined the Lydia Fund. The newsletter also states that investors from Taiwan account for a minority of overall investments in the Lydia Fund.
24. Lydia Capital has never had any investors from anywhere but Taiwan with the possible exception of China.
25. During the Division's March 2007 examination of the books and records of Lydia Capital and the Lydia Fund at Andersen's Boston office, Division staff requested detailed information concerning all bank, brokerage or other accounts controlled by Andersen and the Lydia Fund.
26. Andersen did not provide full and accurate information concerning the relevant accounts at JP Morgan Chase, Citigroup Smith Barney and Bank of America.

V. VIOLATIONS OF SECURITIES LAW

27. For purposes of this Consent Order, Andersen does not admit to the Legal Conclusions or the Violations of Securities Law as set forth in the Complaint and also below in paragraphs 28 – 36.
28. Section 101 of the Act states in relevant part:
- “ It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly: (1) to employ any device, scheme, or artifice to defraud, (2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or (3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.
29. The Division alleges that by taking fees, commissions and/or markups in contravention of the PPM, Andersen violated Section 101 of the Act.
30. The Division alleges that by failing to operate the Lydia Fund in accordance with the PPM, Andersen violated Section 101 of the Act.
31. The Division alleges that by failing to apprise investors of the risks of the fund in the PPM, Andersen violated Section 101 of the Act.
32. The Division alleges that by directly and/or indirectly providing private placement memoranda, newsletters and other information to investors, that contained untrue statements of material fact and/or omitted to state material facts necessary in order to make the statements made not misleading, Andersen violated Section 101 of the Act.
33. Section 102 of the Act reads in relevant part:
- “It is unlawful for any person who receives, directly or indirectly, any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise (1) to employ any device,

scheme, or artifice to defraud the other person, or (2) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person.”

34. The Division alleges that by taking fees, commissions and/or markups in contravention of the PPM, Andersen violated Section 102 of the Act.
35. The Division alleges that by failing to operate the Lydia Fund in accordance with the PPM, Andersen violated Section 102 of the Act.
36. The Division alleges that by failing to apprise investors of the risks of the fund in the PPM, Andersen violated Section 102 of the Act.
37. The Division alleges that by directly and/or indirectly providing private placement memoranda, newsletters and other information to investors, that contained untrue statements of material fact and/or omitted to state material facts necessary in order to make the statements made not misleading, Andersen violated Section 102 of the Act.

VI. SECRETARY'S DECISION AND ORDER

38. Based on the foregoing, it is the desire of all participants to settle the matter with respect to Andersen. Finding that the same is in the best interest of the public and for the protection of investors, the Secretary has determined to accept the proposed Offer of Settlement and resolve this matter with respect to Andersen through this Order.

THEREFORE, it is hereby ORDERED:

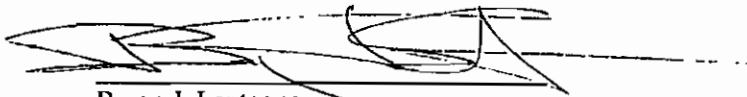
- a) Andersen shall permanently cease and desist from violations of the Act;
- b) Andersen shall be censured by the Division;

- c) Andersen shall be permanently barred from acting as or being employed in the Commonwealth of Massachusetts ("Commonwealth") as a registered-agent of any Massachusetts-registered broker-dealer;
- d) Andersen shall be permanently barred from association in any capacity in the Commonwealth with any Massachusetts-registered broker-dealer;
- e) Andersen shall be permanently barred from acting as or being employed in the Commonwealth as a registered-representative of any Massachusetts-registered investment adviser or any investment adviser claiming an exemption from registration under the Act;
- f) Andersen shall be permanently barred from association in any capacity in the Commonwealth with any Massachusetts-registered investment adviser or any investment adviser claiming an exemption from registration under the Act;
- g) Andersen shall disgorge \$1,800,000.00, representing profits gained as a result of the conduct alleged in the Complaint. On September 16, 2008, a final judgment ("Final Judgment Order") was entered by consent against Andersen, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder, and Section 206(1) and 206(2) of the Advisers Act, and ordering him liable for disgorgement of \$2,527,089.00 but requiring payment of only \$1,800,000.00 in a civil action entitled Securities and Exchange Commission v. Lydia Capital, LLC, et al., Civil Action No. 07-CV-10712-RGS, in the United States District Court for the District of Massachusetts. The disgorgement agreed to by the Division and Andersen in this paragraph 38(g) shall be done in accordance with the

terms of the Final Judgment Order and does not represent any additional disgorgement other than that agreed to in the Final Judgment Order;

- h) The Division shall waive pursuit or collection of the additional \$727,089.00 in disgorgement liability that was waived by the SEC in the Final Judgment Order, on the condition that Andersen has not made any material misrepresentations regarding his financial condition in disclosures made to the Division and/or SEC;
- i) Andersen shall to pay an administrative penalty to the Division of \$ 25,000.00; and
- j) The Division shall waive pursuit, enforcement, or collection of the administrative penalty referenced in paragraph 38(j) subject to the condition that Andersen has not made any material misrepresentations regarding his financial condition in disclosures made to the Division and/or SEC.

William Francis Galvin
Secretary of the Commonwealth



Bryan J. Lantagne
Director
Massachusetts Securities Division
One Ashburton Place, Room 1701
Boston, MA 02108

Dated: September 17, 2008

PURSUANT TO SECTION 409 OF THE ACT ANY PERSON WHO WILLFULLY VIOLATES THIS ORDER SHALL UPON CONVICTION BE FINED NOT MORE THAN ONE HUNDRED THOUSAND DOLLARS OR IMPRISONED NOT MORE THAN TEN YEARS OR BOTH.

Exhibit 11



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Details

ANDERSEN TRADING LLC

NFA ID: 0373424

Current Status	
NO CURRENT STATUS	

Regulatory Actions		NFA Arbitration Awards		CFTC Reparations Cases	
Agency	Number	Role	Number	Total	0

NFA	1	Claimant	0	details...
CFTC	0	Respondent	0	
Exchanges	0		details...	

Formerly Known As
 No other names

Business Address
 43 WINTER ST
 APT. 6
 BOSTON, MA 02108
 UNITED STATES
 617 510 2624

Doing Business As
 No other names

Listed Principals
 No principals currently listed

History

Status	Effective Date
• COMMODITY TRADING ADVISOR SUSPENSION LIFTED	08/11/2008
• NFA MEMBER SUSPENSION LIFTED	08/11/2008
• NFA MEMBER WITHDRAWN	04/04/2008
• COMMODITY TRADING ADVISOR WITHDRAWN	04/04/2008
• COMMODITY TRADING ADVISOR SUSPENDED	02/11/2008
• NFA MEMBER SUSPENDED	02/11/2008
• NFA MEMBER APPROVED	01/31/2007
• NFA MEMBER PENDING	01/25/2007
• NFA MEMBER PENDING STATUS WITHDRAWN	01/16/2007
• COMMODITY TRADING ADVISOR REGISTERED	10/31/2006
• NFA MEMBER PENDING	10/18/2006
• COMMODITY TRADING ADVISOR PENDING	10/18/2006

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Case Summary

ANDERSEN TRADING LLC

NFA 07REG00028

NFA ID: 0373424

Respondent/Effective Date Summary		
NFA ID	Respondent	Effective Date
0373424	ANDERSEN TRADING LLC	05/23/2008
0351059	ANDERSEN, EVAN KARL	05/23/2008

Rule Summary

NFA ID	Respondent	Rule Type
0373424	ANDERSEN TRADING LLC	<ul style="list-style-type: none"> • CEA 8a(2)(H) - DISQUALIFICATION OF PRINCIPAL • CEA 8a(3)(N) - PRIN. OF PERSON HAS/COULD BE REFUSED REGISTRATION
0351059	ANDERSEN, EVAN KARL	<ul style="list-style-type: none"> • CEA 8a(2)(G) - WILLFUL OMISSION OF INFO ON FORM • CEA 8a(2)(C) - ENJOINED • CEA 8a(3)(G) - WILLFUL OMISSION OF INFO ON FORM

Committee Summary

NFA ID	Respondent	Committee
0373424	ANDERSEN TRADING LLC	• MEMBERSHIP COMMITTEE
0351059	ANDERSEN, EVAN KARL	• MEMBERSHIP COMMITTEE

Action Summary

NFA ID	Respondent	Action Types
0373424	ANDERSEN TRADING LLC	• NFA REGISTRATION ACTION
0351059	ANDERSEN, EVAN KARL	• NFA REGISTRATION ACTION

Penalty/Event Summary

NFA ID	Respondent	Penalty/Event	Event Date
0373424	ANDERSEN TRADING LLC	• CHARGES WITHDRAWN	04/23/2008
0351059	ANDERSEN, EVAN KARL	• CHARGES WITHDRAWN	04/23/2008

Narrative Summary**Narrative for 0373424 - ANDERSEN TRADING LLC**

COPIES OF DOCUMENTS LISTED BELOW ARE AVAILABLE UPON REQUEST:

Notice of Intent to Suspend and Thereafter Revoke Registration:

On December 5, 2007, NFA's President issued a Notice of Intent to Suspend and Thereafter Revoke Registration to Evan K. Andersen and Andersen Trading LLC alleging that Andersen is disqualified from registration under Sections 8a(2)(C)(ii), 8a(2)(G), and 8a(3)(G) of the Commodity Exchange Act and the firm is disqualified from registration under Sections 8a(2)(H) and 8a(3)(N) of the Act for having an unfit principal. To view the Notice of Intent, go to Case Documents. To obtain a copy, contact NFA's Information Center.

Response to Notice of Intent:

On January 4, 2007, Andersen and Andersen Trading LLC filed their Response to the Notice of Intent wherein they deny the allegations. To view the Response to the Notice of Intent, go to Case Documents. To obtain a copy, contact NFA's Information Center.

Interim Order Suspending Registrations:

On February 6, 2008, a Subcommittee of NFA's Membership Committee issued an Interim Order Suspending Registrations to Andersen and Andersen Trading LLC. The Interim Order becomes effective on February 11, 2008. To view the Interim Order, go to Case Documents. To obtain a copy, contact NFA's Information Center.

Withdrawal of Notice of Intent:

On April 23, 2008, a Subcommittee of NFA's Membership Committee issued a Withdrawal of Notice of Intent to Andersen and Andersen Trading LLC after their registrations were withdrawn. No further proceedings are warranted at this time and no finding is made with respect to the alleged statutory disqualifications. This Withdrawal of Notice of Intent becomes effective on May 23, 2008. To view the Withdrawal of Notice of Intent, go to Case Documents. To obtain a copy, contact NFA's Information Center.

Narrative for 0351059 - ANDERSEN, EVAN KARL

COPIES OF DOCUMENTS LISTED BELOW ARE AVAILABLE UPON REQUEST:

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Response to Notice of Intent to Suspend and Thereafter Revoke Registrations:

On January 4, 2007, Andersen and Andersen Trading LLC filed a Response to the Notice of Intent wherein they deny the allegations contained in the Notice of Intent. To view the Response to the Notice of Intent, go to Case Documents. To obtain a copy, contact NFA's Information Center.

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Withdrawal of Notice of Intent:

On April 23, 2008, a Subcommittee of NFA's Membership Committee issued a Withdrawal of Notice of Intent to Andersen and Andersen Trading LLC after their registrations were withdrawn. No further proceedings are warranted at this time and no finding is made with respect to the alleged statutory disqualifications. This Withdrawal of Notice of Intent becomes effective on May 23, 2008. To view the Withdrawal of Notice of Intent, go to Case Documents. To obtain a copy, contact NFA's Information Center.

Exhibit 13

From: FXSI New Accounts <newaccounts@fxsystemsint.com>
To: [REDACTED]
Cc: [REDACTED]
Sent: Mon, July 12, 2010 4:56:22 PM
Subject: [REDACTED] Account Number

Dear [REDACTED],

Mr. Cyrus O'Connor has stated you will be completing the application and limited power attorney and he has stated you have been a long time client and family friend therefore we have moved ahead and issued you an account number and attached wiring instructions for a new FX Trading Account with FX Systems International. I am delighted to inform you that the account is provisionally open, under account number [REDACTED].

I have attached to this email the wiring information for your initial deposit, and once received we will formally open the trading platform account and provide logins to you and your nominated trading partner.

I would like to thank you for choosing FX Systems International, to assure you of our best attention at all times, and to let you know that you are welcome to contact me or my colleagues here at any time if you have any questions, issues or concerns.

With Kind Regards

Mr. Al Sciola
FXSI New Accounts Team
P: 718.312.8005
F: 718.504.4494
info@fxsystemsint.com
www.fxsystemsint.com
FX Systems International, LLC

Exhibit 14

Law Office of Lawrence A. Kletter

12 Nottingham Street
Newton, Massachusetts 02459

Tel 617-916-1868
Fax 617-916-1867
Email larrykletter@kletterlawoffice.com

December 22, 2010

BY HAND

Walter F. McDonough, Esq.
The Commonwealth of Massachusetts
Office of the Secretary of the Commonwealth
Securities Division
One Ashburton Place
Room 1701
Boston, MA 02108

Re: In the Matter of Osiris FX
Subpoena Duces Tecum Docket No. 2010-077

Dear Mr. McDonough:

This letter is in response to Subpoena Duces Tecum Docket No. 2010-077 issued by Diane Young-Spitzer dated December 8, 2010 (the "Subpoena").

This response has been prepared by Lawrence A. Kletter, Esq. pursuant to the request of Alberto Sciola. At the request of Mr. Kletter, Mr. Sciola provided all documentation relating in any way to the Subpoena. Mr. Sciola instructed Mr. Kletter to respond to all questions in the Subpoena accurately, completely and truthfully and to provide all requested documentation. The responses and enclosed documents were prepared in accordance with the instructions set forth in the Subpoena.

Set forth below are the document requests in the order presented in the Subpoena.

Documents to be Produced

1. The current address of FX Capital Services ("FXCS").

4 Railroad Avenue, Suite 206, Wakefield, MA 01880

2. Any and all documents relating to the entity status of FXCS, including, but not limited to, any materials describing incorporation.

FXCS is a business name used by Mr. Sciola under which he did business (i.e., a "DBA"). It is not an organized business entity.

RECEIVED
SECURITIES DIVISION
OFFICE OF THE SECRETARY OF THE COMMONWEALTH OF MASSACHUSETTS
DEC 23 2010

Exhibit 15

1 firm?

2 A. I wouldn't say that I have a pitch. And again, the
3 clients that I introduced are not necessarily
4 investors, and in my case they never were investors.
5 They were money managers or traders who already had
6 knowledge of the FX industry.

7 I would simply lay out the advantages and
8 disadvantages of the firms that I represented and
9 allow them to make a choice from there.

10 Q. How would you find the potential clients?

11 A. It all depends. Many of my clients were clients from
12 my tenure in the industry at past firms. The only
13 other avenue that I exploited to obtain new clients
14 would be *linkedin.com*, which is a social networking
15 site, and that would be it.

16 Q. On behalf of what companies were you an introducing
17 agent broker?

18 A. Osiris FX and Alpari UK.

19 Q. Did you act in any other capacity other than an
20 introducing agent broker?

21 A. No.

22 Q. You never handled customer complaints, for example?

23 A. No.

24 Q. When you were acting as an introducing agent, where

Exhibit 16

1 myself, his trader, Leslie, who was his contact here
2 in the U.S., Nicholas and that was it.

3 Q. Was there a formal agreement drawn?

4 A. Between myself and --

5 Q. -- and Mr. Manterfield or Osiris?

6 A. Just the IB agreement.

7 Q. And approximately when did that occur?

8 A. The agreement?

9 Q. Yes.

10 A. The agreement I believe was executed in January of
11 2010. January 21st.

12 BY MR. MCDONOUGH

13 Q. Of what year?

14 A. This year. Oh, I'm sorry, last year, 2010.

15 Q. Of the individuals that I just named, who did you meet
16 first?

17 A. Well, when you say "meet first," I suppose, you
18 know --

19 Q. -- Well, speak to first.

20 A. Speak to? Probably Nicholas Trimble -- Nicholas
21 Trimble, yeah.

22 Q. Do you have any knowledge of Lydia Capital? (ph)

23 A. I know of them.

24 Q. Is there any relationship between Osiris FX and Alpari

Exhibit 17

indbagsnermes nandbagsnew

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PARTNERS

.....

Introducing Brokers

Osiris FX Ltd works closely with private and institutional partners around the world, helping them build their businesses with the backing of a solid and successful brokerage.

If you are an Introducing Broker you want your clients to have the best facilities, the best execution, and the best pricing in the business, with no dealing desk and excellent remuneration possibilities. Osiris FX delivers on every front, but in addition we never lose sight of the fact that your clients are YOUR clients and so, while you would naturally have to disclose them to us for accounts to be opened, we will never approach them directly.

We would normally compensate IBs via a percentage of the spread, and of course we operate a fully comprehensive reporting facility and segregated IB back office, to enable you to monitor and verify the commissions or rebates due.

Contact info@osirisfx.com for more information on becoming an IB.

Fund Managers

For Fund Managers we have two offerings:

First of all we have the Master Account facility where your client accounts can all be linked for easy and convenient instantaneous trading of multiple accounts of multiple value. We can even set different spread levels for different accounts depending on the agreements you reach with individual clients, and even set different remuneration levels to each account.

Exhibit 18



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Details

ALBERTO SCIOLA

NFA ID: 0403941

Current Status	
NO CURRENT STATUS	

Regulatory Actions		NFA Arbitration Awards		CFTC Reparations Cases	
Agency	Number	Role	Number	Total	
				0	

N FA	0	Claimant	0	details
CFTC	0	Respondent	0	
Exchanges	0		details	

Formerly Known As
 No other names

Security Futures Proficiency Training
 No proficiency information available

Doing Business As
 No other names

History

Status	Effective Date
BACK BAY FX SERVICES LLC	
• ASSOCIATED PERSON WITHDRAWN	03/15/2010
• NFA ASSOCIATE MEMBER WITHDRAWN	03/15/2010
• NFA ASSOCIATE MEMBER APPROVED	07/22/2009
• ASSOCIATED PERSON REGISTERED	07/22/2009
• NFA ASSOCIATE MEMBER PENDING	07/01/2009
• ASSOCIATED PERSON PENDING	07/01/2009
• ASSOCIATED PERSON TEMPORARY LICENSE WITHDRAWN	07/01/2009
• NFA ASSOCIATE MEMBER WITHDRAWN	07/01/2009
• ASSOCIATED PERSON TEMPORARY LICENSE	06/10/2009
• NFA ASSOCIATE MEMBER APPROVED	06/10/2009
NCMFX INC	
• NFA ASSOCIATE MEMBER WITHDRAWN	03/18/2009
• ASSOCIATED PERSON WITHDRAWN	03/18/2009
• NFA ASSOCIATE MEMBER APPROVED	12/22/2008
• ASSOCIATED PERSON REGISTERED	12/22/2008
• NFA ASSOCIATE MEMBER PENDING	11/03/2008
• ASSOCIATED PERSON PENDING	11/03/2008
• ASSOCIATED PERSON TEMPORARY LICENSE WITHDRAWN	11/03/2008
• NFA ASSOCIATE MEMBER WITHDRAWN	11/03/2008
• ASSOCIATED PERSON TEMPORARY LICENSE	10/13/2008
• NFA ASSOCIATE MEMBER APPROVED	10/13/2008

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Exhibit 19

1 Q. What if any other documents did you review in
2 preparation for your testimony today?

3 A. Just records.

4 Q. Business records?

5 A. Business records, yes.

6 Q. What is the date of your birth?

7 A. 4/30/86; that is April 30, 1986.

8 Q. Have you ever gone by any other name?

9 A. No.

10 Q. What is your current residential address?

11 A. 15 Windsor, W-i-n-d-s-o-r, Road, Stoneham,
12 Massachusetts, 02180.

13 Q. Can you tell me your educational background?

14 A. I graduated from Stoneham High School. I attended
15 Suffolk University and I'm about five credits shy of a
16 degree there.

17 Q. Which licenses do you have relating to the securities
18 industry?

19 A. None.

20 (Whereupon, a brief discussion was held off
21 the record.)

22 A. I may have misspoken there. I do hold a Series 3
23 License with the National Futures Association.

24 Q. And that registration is current?

1 A. Correct.

2 Q. Do you hold any licenses relating to any other
3 industry?

4 A. No. I misspoke again. Pardon. I hold a Mass.
5 Producer's Life License, a Massachusetts Real Estate
6 License and that's it.

7 Q. Have you ever been disciplined by the SEC?

8 A. No.

9 Q. Have you ever been disciplined by the NASD?

10 A. No.

11 Q. Have you ever been disciplined by any stock exchange?

12 A. No.

13 Q. Have you ever been disciplined by any commodities
14 regulatory agency?

15 A. No.

16 Q. Have you ever been investigated or disciplined by any
17 broker/dealer by whom you were employed in any
18 capacity?

19 A. No.

20 Q. Have you ever been party to a civil lawsuit,
21 arbitration or mediation regarding anything related to
22 the securities industry or the commodities industry?

23 A. No.

24 Q. Have you ever been convicted of a crime?

Exhibit 20

3. A list of companies for which FXCS serves as an introducing broker or agent (the "Companies").

FXCS served as an introducing broker for Osiris FX and Alpari Ltd. (UK).

4. Any all [sic] agreements between FXCS and the Companies.

Please see Exhibit 4.

5. A list of all FXCS clients.

SIG Trading, Ltd.
ACA Fund of America Corp.
JCO Investments, LLC
FX Systems, International, LLC.
Austin Abke
Mega Gala FX

6. A list of clients that FXCS has referred to the Companies.

FXCS referred the following persons to Osiris FX:
SIG Trading, Ltd.
ACA Fund of America Corp.
JCO Investments, LLC
FX Systems, International, LLC.

FXCS referred the following persons to Alpari Ltd.:
Austin Abke
Mega Gala FX

7. All FXCS client agreements including, but not limited to, powers of attorney, limited or otherwise.

FXCS had no agreements with the persons it introduced to the Companies.

8. All FXCS marketing materials.

FXCS had no printed marketing materials. Information found at LinkedIn about Al Sciola (<http://www.linkedin.com/in/alsciola>) and the FXCS website

Exhibit 21

1 A. No.

2 Q. And have any of the principals to your knowledge ever
3 been accused of misappropriating client monies?

4 A. Can I speak with counsel real quick?

5 Q. Absolutely.

6 (Whereupon, a brief discussion was held off
7 the record.)

8 A. I would like to point out that at the time of my
9 introduction to Osiris FX, the principal and the name
10 that I just gave you of Anthony Manterfied recently,
11 as recent as September, October of this year, it has
12 been brought to my knowledge that his name is actually
13 Glen Anthony Manterfield.

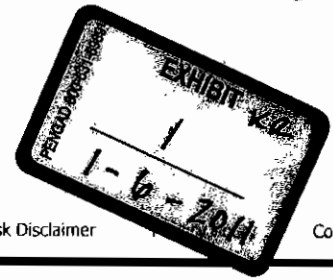
14 After conducting due diligence under that name is
15 where I did -- it did surface that there was some
16 regulatory actions against him in the past. If it was
17 misappropriating client funds, I am not sure.

18 Q. Could you name the individuals that you interacted
19 with at Alpari Ltd.?

20 A. Yeah, Stan Klebaner, K-l-e-b-a-n-e-r; and what is the
21 other gentleman's name? I can't recall his name off
22 the top of my head.

23 Q. At a subsequent time, you could provide me with that
24 information?

Exhibit 22



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Name:

Email Address:

Inquiry:



FX Capital Services

P: (617) 86 - FOREX

F: (617) 226 - 4560

Email: Info@fxcapitalservices.com



Info@FXcapitalservices.com - 617.86.FOREX - Skype: Al.Forex1

Exhibit 23

From: Cyrus O'Connor <cyrusforexuk@gmail.com>
To: compliance <compliance@osirisfx.com>
Cc: anthony@osirisfx.com; BostonForex <bostonforex@gmail.com> [REDACTED]
[REDACTED]; lpfarkas@osirisfx.com; [REDACTED]
Sent: Mon, November 8, 2010 7:25:43 PM
Subject: Attention Anthony Manterfield Osiris FX

Hello Anthony,

I am writing this email on behalf of FX Systems International LLC. and our client [REDACTED]. I have had extensive phone conversations with [REDACTED] and we both want to apologize for threatening and freaking out over these current issues at had in [REDACTED] defense he had nothing to do with anything and he wired in 100,000 USD into a Barclay's Seychelles Osiris FX account and to this date has only received a wire back from your account for 16,750.00 dollars and feels he is owed a substantial amount of money. He had nothing to do with the trading or back end accounting of your firm so again in his defense when someone is upset and is out a significant amount of money we all do and say things we do not mean. We are both apologizing and we would like to get down to brass tax what day this week will you send [REDACTED] the amount left in his trading account? We are all going to be adults about this and we all appreciate you compensating for the mistakes which has happened please let us know what day this week [REDACTED] will receive a transfer of funds. We have waited many weeks and still until this date we have seen no records of the omnibus account from CFH or Osiris and this does not matter as long as [REDACTED] gets a transfer this WEEK I will personal take responsibility in covering the balance to equal 100,000 as this is my moral responsibility as [REDACTED] has been a long time family friend and he had absolutely nothing to do with this and he trusted me as a family friend to wire 100,000 into a Osiris FX account so once again lets all act like adults and we apologize for the previous threats which we stated out of anger and frustration and we look forward to the transfer to [REDACTED] this week I am ccing [REDACTED] on this email and Leslie, Evan and Al Sciola to this email and [REDACTED] will write an email to all us confirm this email also

Cheers,
Cyrus

Exhibit 24

From: "compliance@osirisfx.com" <compliance@osirisfx.com>
To: [REDACTED]
Sent: Tue, November 16, 2010 9:18:39 AM
Subject: clarification

Hello [REDACTED]

I'd like to make a few points in the interest of clarity, and in a last effort to reach a sensible conclusion.

1. I absolutely must stress that I am not connected with the businesses operated by the people who introduced your account. They have introduced business, and that's the end of it. I am not remotely involved with any of the businesses they represented to you, and I have no connection with, input to, or control over, the way they conduct their business practices. I am not involved in any "scheme" or venture of any kind with them, and to be fair to them I am sure they would wish to stress the same point.

2. I'll make this brief regarding my matter with the SEC. First of all, the case is formally closed. No allegations were ever proven, nor evidence offered to support them. Yes, there were sanctions based on a default judgment which was issued because I refused to give a deposition, nothing more. On that basis I would advise some caution in broadcasting your assertion that my colleague and I "stole \$33m" from anyone at any time. That was never the allegation in the first place.

We are conducting a detailed trading audit. We have identified all the negative liquidation trades, and are almost complete with assigning them to the accounts from which the trades were initiated. Finally, we will sit down with the clearing house and locate the IP Address of the computer from which those trades were made.

Once complete, this audit will absolutely identify the source of the problems which caused the liquidation of the omnibus account, and will very quickly bring to an end any investigation into how your account was traded.

In closing [REDACTED] I would like to know if I am to continue in my efforts to secure equity investment capital, which would free up funds to begin recovering your losses, or if I am wasting my time. I do believe we can make this happen, but not under duress.

Thanks [REDACTED]

Anthony