

SECTION C: LIVE VS. HISTORICAL BALANCES

Note: "Live Balances" refers to account data captured via screenshots from the mobile application in real time or downloaded from the Schwab website, whereas "Historical" balances refer to account data that pertains to previous days. For example, the Historical Data for March 23rd, 2018, was downloaded on April 6, 2018, whereas the Live Data was taken at 4:16 PM (ET) on March 23rd. Both correspond to "end of day" figures after the market had closed. Please see the Attachments (e.g. [C.1], [C.2], etc.) for the full documents containing all the referenced data.

1) Discrepancies exist in the March 23, 2018 account figures cannot be explained by the exclusion of the Futures Account from the Historical Data.

- a) Virtually every value corresponding to cash accounting is different between the Live and Historical Balances, EXCEPT the **Bank Sweep Account** and the **SMA** (See chart on following page [C.0] comparing data from attachments C.1 and C.2). The difference in *Account Value* closely corresponds to but does not precisely match the *Futures Account Value*.

3/23 - Account Value (Live):	\$118,126.57
3/23 - Account Value (Historical):	\$94,983.44
<i>Account Value</i> discrepancy:	\$23,143.13

3/23 - Live Balances (4:16 PM ET) [C.1]

Individual	2043-5612	Page last updated: 04:16 PM ET, 03/23/2018	Refresh	Export	Print
Total Accounts Value ¹	Day Change ²	Total Cash & Cash Investments ³	Market Value		
\$118,126.57	+\$26,310.96 (+38.43%)	\$51,760.07	\$66,366.50		

3/23 - Historical Balances (accessed on April 6th 2018) [C.2]

Individual	2043-5612	Page last updated: 11:01 AM ET, 04/07/2018	Refresh	Print
Historical Balances ¹ for 03/23/2018 Return to Current Balances		Change Date: <input type="text" value="mm/dd/yyyy"/> <input type="button" value="Go"/>		
The historical balance data reflect the ending values of the date selected.				
Account Value ⁶	Day Change	Cash & Cash Investments	Market Value	
\$94,983.44	+\$26,523.80	\$28,396.94	\$66,586.50	
<div style="border: 1px dashed gray; padding: 5px;"> <p>— Charles Schwab Futures ⁶ <input type="button" value=""/></p> <p>DAVID PITLOR 6725-6817</p> <p>Futures Account Value \$23,355.97</p> </div>				

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- b) The Futures Account Value, \$23,355.97, is reported in the Live Balances but is omitted from the Historical Balances for March 23 and is also the amount of the *Sweep from Futures* (to the Brokerage Account) on the next business day, Monday March 26.

3/23 Live Balances (C.1)

— Charles Schwab Futures	
██████████ 6725-6817	
Futures Account Value	\$23,355.97
Futures Initial Margin Requirement	\$0.00
Futures Buying Power	\$51,752.61
Futures Total Equity	\$23,355.97

- c) The difference between the \$23,355.97 (Futures Account Value) and \$23,143.13 (the difference of Live vs. Historical Account Value) is \$212.84, and this is also reflected as the difference in the *Day Change* (daily gain/loss figures).

a) ACCOUNT VALUE DISCREPANCY vs. FUTURES ACCOUNT VALUE

Futures Account Value (Live Balances only) [C.1]:	\$23,355.97
— Account Value discrepancy (Live vs. Historical):	\$23,143.13
Difference:	\$212.84

b) DAY CHANGE DIFFERENCE

Day Change (Live) [C.1]:	\$26,310.96
Day Change (Historical) [C.2]:	\$26,523.80
Day Change Difference:	\$212.84

- d) The \$212.84 discrepancy identified above is attributable to two separate discrepancies that have no relation to the Futures Account, \$220 and \$7.16.

$$\mathbf{\$212.84 = \$220 - \$7.16}$$

\$220 is the discrepancy in *Market Value* of investments in the account. This may be attributed to price fluctuations during after-market trading after the Live Balances were captured at 4:16 ET, so for this assessment the \$220 difference is presumed to be allowable, but **\$7.16** is an unexplained, anomalous discrepancy, as explained further below.

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Investments' <i>Market Value</i> (Live) [C.1]:	\$66,366.50
<u>Investments' <i>Market Value</i> (Historical) [C.2]:</u>	<u>\$66,586.50</u>
<i>Market Value</i> discrepancy:	\$220.00 (increase)

Setting aside the \$220 as allowable, the discrepancy that remains is \$7.16:

e) **\$7.16** is the difference in *Margin Equity*.

Funds Available – March 23 rd	Live [C.1]	Historical [C.2]
– Funds Available		
– To Trade		
Cash & Cash Investments	\$28,396.64	\$28,342.66
Settled Funds	\$51,752.61	\$28,342.36
Cash + Borrowing	\$103,505.22	\$56,793.28
SMA	\$14,216.00	\$14,216.00
– To Withdraw		
Cash & Cash Investments	\$0.00	\$28,342.66
Borrowing	\$28,396.00	\$0.00
Cash + Borrowing	\$51,751.97	\$28,342.66
Cash on Hold	\$6.87	\$54.28
– Margin Details & Buying Power [?]		
Balance Subject to Interest	\$0.00	\$74,642.25
Month to Date Interest Owed	\$6.87	\$54.28
Margin Equity	\$14,223.46	\$14,216.30
Equity Percent	100%	100%
Margin Buying Power	Margin Rates	Margin Rates

Margin Equity (Live):	\$14,223.46
<u>Margin Equity (Historical):</u>	<u>\$14,216.30</u>
<i>Margin Equity</i> discrepancy:	\$7.16 (decrease)

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- f) The \$7.16 the difference in *Cash Balance* values (equal to the difference in *Margin Equity* as presented on the previous page), and is reflected accordingly in the discrepancy between the Live and Historical values reported for "*Cash and Cash Investments—Total.*" This demonstrates that the accounting discrepancies are not accounted for by the mere exclusion of the Futures Account from the historical data. **Critically, the *Cash and Cash Investment Total* is supposed to include the value of the Futures Account (See Section A: Futures - #2), but the Historical Balances contain no Futures Account data.**

<u>3/23 - Live Balances (C.1)</u>	<u>3/23 - Historical Balances (C.2)</u>																		
<p>Balance Details</p> <hr/> <p>— Cash & Cash Investments</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Bank Sweep ⁺ - Rates ⓘ</td> <td style="text-align: right;">\$14,180.64</td> </tr> <tr> <td></td> <td style="text-align: right; font-size: small;">Details</td> </tr> <tr> <td>Cash Balance ⓘ</td> <td style="text-align: right;">\$14,223.46</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Cash & Cash Investments Total</td> <td style="text-align: right;">\$51,760.07</td> </tr> </table>	Bank Sweep ⁺ - Rates ⓘ	\$14,180.64		Details	Cash Balance ⓘ	\$14,223.46	<hr/>		Cash & Cash Investments Total	\$51,760.07	<p>Balance Details</p> <hr/> <p>— Cash & Cash Investments</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Bank Sweep Feature - Rates ⓘ</td> <td style="text-align: right;">\$14,180.64</td> </tr> <tr> <td>Cash Balance ⓘ</td> <td style="text-align: right;">\$14,216.30</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Cash & Cash Investments Total</td> <td style="text-align: right;">\$28,396.94</td> </tr> </table>	Bank Sweep Feature - Rates ⓘ	\$14,180.64	Cash Balance ⓘ	\$14,216.30	<hr/>		Cash & Cash Investments Total	\$28,396.94
Bank Sweep ⁺ - Rates ⓘ	\$14,180.64																		
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Cash Balance ⓘ	\$14,216.30																		
<hr/>																			
Cash & Cash Investments Total	\$28,396.94																		

Cash Investments – Total (Live): \$51,760.07
Cash Investments – Total (Historical): \$28,396.94
***Cash Investments* discrepancy: \$23,363.13**

Compare to:

Futures Account Value: \$23,355.97

\$23,363.13 - \$23,355.97 = \$7.16

1. Even if it was allowable for Schwab to retroactively omit the Futures Account from the Historical Account Data upon its "closure" (although Schwab has never explained why or how that was necessary or proper), then the difference in Total Cash should be equal to the value of the Futures Account, \$23,355.97. But the difference here is \$23,363.13.
2. There is further significance to \$7.16 (**evidence and discussion presented in this section at #8**):
 - i. **\$7.16** was concealed along with a similar discrepancy from the end-of-day cash accounting for March 27 for **\$4.45** (see below #7-a) by an unexplained "Balance Subject to Interest" for \$11.61 that appeared

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several weeks later on April 13, just before the final activity in the account [C.20].

****Balance Subject to Interest \$11.61 = \$4.45 + \$7.16****

- ii. A Margin Call for \$12 was inexplicably received on April 12. [C.21-C.22]
- iii. \$7.16 appears to be the sum of several other key values:

\$6.87 is the *Cash on Hold* [due to *Month To Date Interest Owed* for a margin loan for February 27th purchases, before the *Settled Cash Up Front* restriction for the bogus "free ride" violation went into effect (See Section B: Official Records #8)].

On March 6th, \$10,000,005.87 was stated as "Cash on Hold." \$9,999,999.00 was deducted from *Cash on Hold* on March 6th, but it is suspected that \$6.87 was also removed as if the entire account balance was reassigned elsewhere, then the \$6.87 had to be "restocked" as *Cash on Hold* by "borrowing" from the account, concealed within the scheme as it targeted larger amounts later in the month. Or, similarly otherwise, it could be that the continual re-engineering of account data required the \$6.87 to be set aside in a clandestine fashion. While this is not a central emphasis of this whistleblower submission, it is one hypothesis that explains why the discrepancy for \$7.16 exists.

\$.26: discrepancy identified in the March 22nd account figures between Margin Equity and the SMA (see this section below at #3-c and #4-f).

(\$.03): Difference between SMA and Margin Equity on Monday, March 26th And relates to the Futures Sweep for \$23,355.97—same amount at issue above (See Section A: Futures— #9). Whereas the \$.26 is the difference between the Margin Equity and a smaller SMA value, in this instance the SMA value, \$23,356.00 is in fact \$.03 greater than the Margin Equity, and so logically it factors in as a negative number.

\$.06: Difference between Cash Investments and Settled Funds on March 28th, very similar to the \$.26 discrepancy. (See

$$\mathbf{\$7.16 = \$6.87 + \$.26 -.03 + \$.06}$$

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Attachment C.0

(Data corresponds to March 23rd Historical and Live Balance Data **(C.1 & C.2)**)

MARCH 23 BALANCES: LIVE VS. HISTORICAL BALANCES

MARCH 23 BALANCES	LIVE	HISTORICAL	DISCREPANCY
Total Accounts Value	118,126.57	94,983.44	(23,143.13)
Day Change	26,310.96	26,523.80	212.84
Day Change Percentage	38.43	none shown	----
Cash and Cash Investments	51,760.07	28,396.94	(23,363.13)
Market Value	66,366.50	66,586.50	220.00
CASH AND CASH INVESTMENTS			
Bank Sweep	14,180.64	14,180.64	0.00
Cash Balance	14,223.46	14,216.30	(7.16)
Cash & Cash Investments Total	51,760.07	28,396.94	(23,363.13)
INVESTMENTS			
Investments Total	66,366.50	66,586.50	220.00
FUNDS AVAILABLE - To Trade			
Cash and Cash Investments	28,396.64	28,342.66	(53.98)
Settled Funds	51,752.61	28,342.36	(23,410.25)
Cash + Borrowing	103,505.22	56,793.28	(46,711.94)
SMA	14,216.00	14,216.00	0.00
FUNDS AVAILABLE - To Withdraw			
Cash & Cash Investments	0.00	28,342.66	28,342.66
Borrowing	28,396.00	0.00	(28,396.00)
Cash + Borrowing	51,751.97	28,342.66	(23,409.31)
Cash on Hold	6.87	54.28	47.41
MARGIN DETAILS & BUYING POWER			
Balance Subject to Interest	0.00	74,642.25	74,642.25
Month to Date Interest Owed	6.87	54.28	47.41
Margin Equity	14,223.46	14,216.30	(7.16)
Equity Percent	100.00	100.00	0.00
FUTURES ACCOUNT	\$23,355.97	No Data	(\$23,355.97)

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2) In the Live Data for March 23rd, the *Day Change* implies an *Account Value* for March 22nd that conflicts with the "Historical Balances", and this discrepancy is precisely equal to the Futures Account value.

a) The implied end-of-day account value for March 22 is calculated by subtracting the *Day Change* from the *Account Value* for March 23 [C.1]:

3/23 Account Value (Live):	\$118,126.57
— Day Change (Live):	\$26,310.96
3/22 End-of-day Account Value (Implied):	\$91,815.61

b) The difference between the Historical Account Value and the implied value calculated above for March 22nd is exactly equal to the Futures Account.

3/22 Implied Account Value (calculated above)	\$91,815.61
—3/22 Account Value (Historical) [C.3]	\$68,459.64
Discrepancy	\$23,355.97
Futures Account Value:	\$23,355.97

3/23 – Live Balances (C.1)

Individual	2043-5612	Page last updated: 04:16 PM ET, 03/23/2018	Refresh	Exp
Total Accounts Value ¹	Day Change ²	Total Cash & Cash Investments ³	Market Value	
\$118,126.57	+\$26,310.96 (+38.43%)	\$51,760.07	\$66,366.50	
— Charles Schwab Futures ⁶				
██████████ 6725-6617				
Futures Account Value			\$23,355.97	

Historical Personal Value: (C.3)

Historical Personal Value

Date	Personal Value
Thursday, March 22, 2018	\$68,459.64

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3) Cash value was also concealed at the start of the day on March 23 by altering the *Trade Date Balance* (indicating the cash available at the start of the day). **FOUR** different values are stated by the various records.

Attachment [C.8]

3/23 Screenshot @ 08:24
Schwab Mobile App

Account Value	
Account Value	\$66,488.16
Day Change	-\$13,768.61 (-20.11%)

Margin Details	
Margin Equity	-\$13,768.61
Equity Percent	-100.00%
Trade Date Balance	\$412.03
Balance Subject to Interest	\$0.00
MTD Interest Owed	\$6.87

Margin Buying Power	
Marginable Securities	
Equities	\$24,417.54
Mutual Funds	\$12,201.90
Short Selling	\$24,417.54
Non-Marginable Securities	
Equities	\$12,201.90
Mutual Funds	\$404.77
Penny Stocks	\$12,201.90
Fixed Income	
Treasuries Maturing in 10+ yrs	\$122,019.00
Government Agencies	\$61,009.50
Municipal Bonds	\$48,807.60
Non-convertible Corporates	\$40,673.00

Attachment [C.9]

3/23 Screenshot @ 08:54
Schwab Mobile App

Account Value	
Account Value	\$156,544.48
Day Change	+\$76,287.71 (111.43%)

Margin Details	
Margin Equity	-\$23,489.29
Equity Percent	-100.00%
Trade Date Balance	-\$9,308.65
Balance Subject to Interest	\$0.00
MTD Interest Owed	\$6.87

Margin Buying Power	
Marginable Securities	
Equities	\$0.00
Mutual Funds	\$2,481.61
Short Selling	\$0.00
Non-Marginable Securities	
Equities	\$0.00
Mutual Funds	\$0.00
Penny Stocks	\$0.00
Fixed Income	
Treasuries Maturing in 10+ yrs	\$0.00
Government Agencies	\$0.00
Municipal Bonds	\$0.00
Non-convertible Corporates	\$0.00

- a) The morning of March 23, the *Trade Date Balance* stated in the Pre-Market changes to a different value after the market opened, from \$412.03 to -\$9,308.65.
- **The negative “Trade Date Balance” value [C.9] is especially problematic because the account was supposedly restricted to “Settled Cash Up Front”, thus it is inconceivable how any negative Trade Date Balance could have accrued legitimately. (See Attachment [B.40])**

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1. Before the market opened, at 8:24 AM, the *Trade Date Balance* was \$412.03. Shortly after the market opened, at 8:54, the *Trade Date Balance* had changed to -\$9,308.65,

<i>Trade Date Balance</i> at 8:24 AM [C.8]:	\$412.03
<u><i>Trade Date Balance</i> at 8:54 AM [C.9]:</u>	<u>-\$9,308.65</u>
Difference:	\$9,720.68

2. The *Margin Debt* increases by precisely the same amount:

Margin Debt (Pre-Market) [C.8]:	-\$13,768.61
<u>Margin Debt (after opening bell) [C.9]:</u>	<u>-\$23,489.29</u>
Difference:	\$9,720.68

- b) The **Schwab Internal Records – Detailed Balances** report a different value for the *Trade Date Balance* for March 23, \$14,173.77.

1. The difference between this value, \$14,173.77 and the *Trade Date Balance* displayed after the market opened (see 8:54 AM screenshot) amount, (\$9,308.65), also relates to the negative Margin Equity (debt balance) after the market opens.

March 22 Schwab Internal Records - Detailed Data [C.10]

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-----
308 S1TRDT AM:    14,173.77+ 314 REGT AM :    14,054.00+ 316 ASFT-OPN :    14,173.77+
318 ASFT-EOD :    14,173.77+
320 CASH EOD :      127.04+
  
```

*The "S1TRDT AM" data field states *Trade Date Balance* for the next morning, here applicable to March 23.

TOTAL 'TRADE DATE BALANCE' DISCREPANCY

Trade Date Balance (Schwab Internal Records):	\$14,173.77
<u>Trade Date Balance (3/23 Live Data – 8:54):</u>	<u>-\$9,308.65</u>
Total 'Trade Date Balance' Discrepancy:	\$23,482.42

Compare to *Margin* debt balance at 8:54 AM [C.9]:

Total <i>Trade Date Balance</i> Discrepancy:	\$23,482.42
<u>+ Cash on Hold Balance (MTD Interest Owed):</u>	<u>\$6.87</u>
Negative Margin Equity (8:54 AM):	\$23,489.29

2. The *Trade Date Balance*, \$14,173.77 appears **only** in the Schwab Internal Data Historical Data [C.10] and directly corresponds to Bank Sweep Balance (as

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shown by the calculation below), thus indicating the *Trade Date Balance* was adjusted after the fact so the \$6.87 would be properly accounted for:

\$14,173.77 *Trade Date Balance* – Schwab Internal Records Historical Balances
 + \$6.87 *Cash on Hold*

\$14,180.64 *Bank Sweep Balance* – March 23

March Brokerage Statement p.33 (C.11)

Bank Sweep Activity

Transaction Date	Transaction	Description	Withdrawal	Deposit	Balance ^{x,z}
Opening Balance ^{x,z}					0.00
03/02/18	Auto Transfer	BANK CREDIT FROM BROKERAGE ^x		29,256.75	29,256.75
03/07/18	Auto Transfer	BANK TRANSFER TO BROKERAGE	12,875.18		16,381.57
03/08/18	Auto Transfer	BANK TRANSFER TO BROKERAGE	16,341.40		40.17
03/12/18	Auto Transfer	BANK CREDIT FROM BROKERAGE ^x		17,784.14	17,824.31
03/15/18	Interest Paid ^{x,z}	BANK INTEREST		0.77	17,825.08
03/15/18	Auto Transfer	BANK TRANSFER TO BROKERAGE	0.77		17,824.31
03/19/18	Auto Transfer	BANK CREDIT FROM BROKERAGE ^x		0.77	17,825.08
03/20/18	Auto Transfer	BANK TRANSFER TO BROKERAGE	17,825.08		0.00
03/22/18	Auto Transfer	BANK CREDIT FROM BROKERAGE ^x		127.04	127.04
03/23/18	Auto Transfer	BANK CREDIT FROM BROKERAGE ^x		14,053.60	14,180.64
03/26/18	Auto Transfer	BANK CREDIT FROM BROKERAGE ^x		14,216.30	28,396.94
03/27/18	Auto Transfer	BANK CREDIT FROM BROKERAGE ^x		23,355.97	51,752.91
03/28/18	Interest Paid ^{x,z}	BANK INTEREST		0.64	51,753.55
03/28/18	Auto Transfer	BANK TRANSFER TO BROKERAGE	51,753.55		0.00
Total Activity			98,795.98	98,795.98	
Ending Balance ^{x,z}					0.00

Bank Sweep: Interest Rate as of 03/29/18 was 0.12%. Your interest period was 03/01/18 - 03/27/18. ^z

- The Bank Sweep Balance, **\$14,180.64**, is also significant with respect to one of the other values stated for the *Trade Date Balance*, \$412.03 (C.8).

\$13,768.61 Sweep to Futures – March 23
 + \$412.03 *Trade Date Balance* @ 8:24 AM
 \$14,180.64 *Bank Sweep Balance* – March 23

- The *Sweep to Futures* for \$13,768.61 is reflected in the *Day Change* as a loss to the Brokerage Account, shown as negative Margin Equity [C.8]. This seems consistent with Schwab's accounting protocols because *Sweep to Futures* are withdrawals from the Brokerage account (March Statement at p.32 – also presented as Attachment [A.21]). However, it does not explain why the *Trade Date Balance* changed again after the market opened to \$412.03, seemingly concealing that this value ever existed! This is problematic moreover because the Futures Account was comingled with the Margin Accounting for the Brokerage Account, and is a key element facilitating the "disappearance" of cash value.

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[See Section A – #3, #4, #5]. Since the accounting was comingled, then, technically the Futures Sweep should not have registered as a loss to the Brokerage Account, there'd be no need for any sweep at all. Clearly, this was a crucial aspect of the scheme to defraud.

- c) The Live Balances from the afternoon of March 22, report yet another value for the *Trade Date Balance* (for March 23rd), \$14,181.30 (C.12).
1. Notably, \$14,181.30 does not appear Schwab Internal Records or otherwise in the historical data—which reports a different value, \$14,173.77 [C.10] (presented above in (b)).
 2. \$14,181.30 is stated to be the “Cash & Money Market Total” after Market Close on March 22 [C.14]. This relates to the ‘Cash Investments Available to Trade’, \$14,174.43 [C.12, C.13].

$$\mathbf{\$14,181.30 - \$6.87 = \$14,174.43}$$

3. Clearly, there are other discrepancies amongst “Funds Available” figures, notably the \$.26 discrepancy between *Settled Funds*, \$14,174.17 and *Cash Investments*, \$14,174.43 [C.13]—neither of which appear in the “Schwab Internal Records - Detailed Records” [C.10]. How can there be \$.26 of unsettled funds?

$$\mathbf{\$14,174.43 - \$14,174.17 = \$.26}$$

March 22 at 3:29 PM [C.12]

Account Value	
Account Value	\$70,240.30
Day Change	+\$43,017.76 (158.02%)
Margin Details	
Margin Equity	\$14,054.26
Equity Percent	100.00%
Trade Date Balance	\$14,181.30
Balance Subject to Interest	\$29.54
MTD Interest Owed	\$6.87
Margin Buying Power	
Marginable Securities	
Equities	\$28,362.08
Mutual Funds	\$14,174.17
Short Selling	\$28,362.08
Non-Marginable Securities	
Equities	\$14,174.17
Mutual Funds	\$14,174.17
Penny Stocks	\$14,174.17

March 22 at 3:07 PM [C.13]

Individual	
POSITIONS	GAIN/LOSS
Options	
Schwab Futures -	
Futures Account Value	\$0.00
Futures Total Equity	\$0.00
Initial Margin Requirement	\$0.00
Futures Buying Power	\$14,174.17
Funds Available	
To Trade	
Cash Investments	\$14,174.43
Settled Funds	\$14,174.17
Cash + Borrowing	\$28,362.08
SMA	\$14,054.00
To Withdraw	
Cash Investments	\$120.17
Cash on Hold	\$6.87
Cash + Borrowing	\$14,174.17
Margin Details & Buying Power	
Disclosures & Footnotes	

March 22nd at 3:22 [C.14]

Individual	
POSITIONS	GAIN/LOSS
Options	
AMTD 03/23/2018 60.50 P	\$2.12 +\$1.90 +\$0.00 (0.00%)
Options Total	\$56,059.00 -\$17,790.50 (-24.09%)
Cash & Money Market	
Cash & Money Market	\$14,181.30 ⁽¹⁾
Cash & Money Market Total	\$14,181.30
Schwab Futures	
Futures Account Value	\$0.00
Disclosures & Footnotes	
Brokerage Products: Not FDIC Insured • No Bank Guarantee • May Lose Value	

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4) Additional issues regarding the Bank Sweep and the SMA balances for March 22nd further evidence how the historical data conflicts with the live balances, and moreover offers insight into how funds were targeted for concealment and theft in real time.

- a) The *Margin Equity*, \$14,054.26 [C.12] is contradicted by the value reported by the "Schwab Internal Records – Detailed Balances" under field No. 131, \$14,053.60 [C.10].

From Attachment [C.10]
131 MARGIN EQ: 14,053.60+

- b) \$14,053.60, was deposited into the Bank Sweep the next day, March 23 [C.11]. The following analysis indicates that \$14,053.60 was a separate amount altogether from \$14,054.26.
- c) According to the official records, there was not enough *Settled Cash* to deposit \$14,053.60 into the Bank Sweep¹.
- ❖ The transactions reported by the Brokerage Statement for March 22nd generated net total cash of \$14,053.87, **of which only \$13,224.93 was *Settled Cash***—generated by two *Short Sales*.² (The Schwab Internal data for March 21 confirms that *Trade Date Balance* for March 22nd was \$120.17, \$120.04 of which was transferred to the Bank Sweep)

March 22 at 3:07 PM [C.13]

Funds Available

To Trade

Cash Investments	\$14,174.43
Settled Funds	\$14,174.17
Cash + Borrowing	\$28,362.08
SMA	\$14,054.00

To Withdraw

Cash Investments	\$120.17
Cash on Hold	\$6.87
Cash + Borrowing	\$14,174.17

- d) The "Funds Available - to Withdraw" are inconsistent with the "Funds Available - to Trade". The entirety of *Settled Funds*, \$14,174.17, should be available to Withdraw as Cash Investments, not as Borrowed Funds.

- e) The SMA balance, \$14,054.00, is implied to be "Borrowed Funds Available to Withdraw," which may be consistent with the definition of SMA, but

¹⁻² Chart presented at the end of this analysis showing amounts of all purchases and sales on March 22nd based on official records' transaction data. Chart is also included in the Attachments as [C.36].

SECTION C: LIVE VS. HISTORICAL BALANCES

here the account was restricted to "Settled Cash Up Front." [See Attachment [B.40-B.41]]

\$14,174.17 Cash + Borrowing – Funds Available to Withdraw)
- \$120.17 Cash Investments Available to to withdraw)
\$14,054.00 'Borrowed Funds Available to Withdraw' = SMA

- f) While SMA can indeed represent buying power from funds available to borrow, and could correspond to available cash, SMA is NOT the same as a free cash balance, nor does this explain the *Margin Equity* stated in the live data, \$14,054.26, or the \$.26 discrepancy between *Cash Investments* and *Settled Funds*.
1. The stated SMA value, \$14,054, corresponds to the value that was stolen. It was concealed by mirroring the stated Margin Equity in the account, \$14,054.26 [C.12].
 2. This left behind \$.26 that was "not yet stolen" (but included in the \$7.16 that disappeared later) and indicates that this facet of the scheme operated by targeting whole dollar amounts (consistent with all SMA values in the records)
- g) **IN SUMMARY:** \$14,053.60 should be regarded as an altogether separate cash balance from \$14,054.26:
1. The *Margin Equity* in the live data, \$14,054.26 does not appear in the 'Schwab Internal Records' which states the *Margin Equity* to be \$14,053.60 [C.10].
 2. \$14,053.60 was deposited into the Bank Sweep Feature [C.11] on March 23rd and documented by the Schwab Internal Records as **the** Margin Equity on March 22nd [C.10], but according to the official records, there was only **\$13,224.93** of *Settled Cash* eligible to be transferred on the 23rd.
 3. The *Trade Date Balance* reported by Schwab's Internal Records is equal to the sum of "Cash Investments Available To Withdraw", \$120.17 and \$14,053.60 is equal to [C.10].

\$14,173.77 (Trade Date Balance) = \$14,053.60 (Margin Equity) + \$120.17 (Cash)

- While this seems legitimate at first glance, if these funds were *Settled Funds* (as required to be deposited into the Bank Sweep Feature the next day), they should have been available to withdraw on March 22nd, but are not [C.13].**
4. As demonstrated previously, the *Trade Date Balance* for March 23rd was manipulated, and the *Day Change* also indicates that additional value existed in the account on March 22nd (See above, **Live vs. Historical Balances - #2 and #3**)

SECTION C: LIVE VS. HISTORICAL BALANCES

5. Thus, the logical conclusion is that *Settled Funds* existed, generated by *Short Sales* unreported by the record³, and unsettled funds (stated as Margin Equity and “available to borrow”) also legitimately existed in the account.

³ See Section B - Official Records Flaws #2 (a FINRA disciplinary action [Attachments B.52-B.57] was issued against Barclay’s Bank for errors to those identified in the Brokerage Statements, and Barclays admitted that these errors coincided with positions being erroneously omitted from the records.)

SECTION C: LIVE VS. HISTORICAL BALANCES

	March 22 Transactions
	<u>March Statement pp 20-23</u>
	\$3,385.45
	\$436.82
	\$546.05
	\$584.18
	\$584.19
	-\$2,971.51
	-\$3,837.75
	-\$1,224.92
	-\$2,836.64
	-\$1,334.87
	-\$938.24
	-\$3,954.89
	-\$4,104.63
	-\$1,471.51
	-\$4,754.80
	-\$828.27
	-\$240.38
	-\$320.51
	-\$200.31
	-\$240.38
	-\$681.06
	-\$240.38
	-\$240.38
	-\$594.26
	-\$120.22
	-\$76.15
	-\$1,065.99
	-\$1,169.03
	-\$126.91
	\$10,819.86
	\$14,269.45
	\$7,154.95
	\$4,981.61
	-\$8,359.90
SHORT SALE	\$10,628.24
SHORT SALE	\$2,596.69

TOTAL	\$14,053.60
<i>Short Sales</i>	\$13,224.93

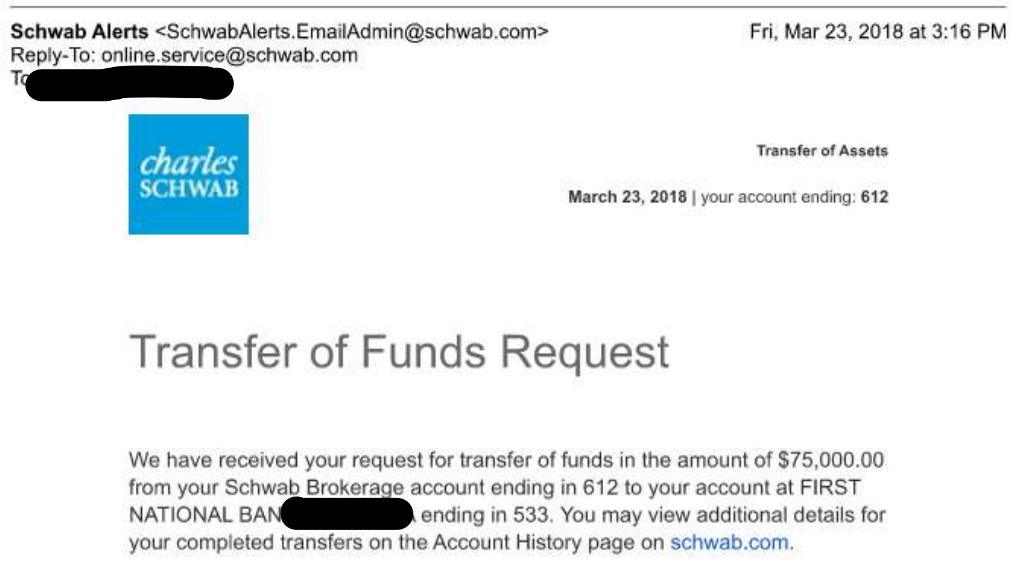
\$14,053.60 Swept to the Bank Sweep, but the maximum amount that could have been eligible to be swept was the proceeds of the *Short Sales* which, according to Schwab's official records for March 22, just two *Short Sales* occurred generating settled cash totaling only \$13,224.93.

SECTION C: LIVE VS. HISTORICAL BALANCES

5) No margin debt (or any other debt) is shown in the “Live Balances” at the end of March 23rd, however a *Balance Subject to Interest* is reported in the Historical data. Comparison to the March Statement reveals further discrepancies.

a.) After the market closed on Friday, March 23:

1. a \$75,000 withdrawal occurred (legitimately transferred into [REDACTED]'s bank account at another institution— First National Bank [REDACTED]).



2. Then, [REDACTED] took a snapshot of the live balances at 4:16 PM, showing no margin debt or any other debt balances, and with *Settled Funds* remaining \$51,752.61.

March 23 Live Balances [C.1]




Settled Funds ?	\$51,752.61
— Margin Details & Buying Power ⁷	
Balance Subject to Interest ?	\$0.00
Month to Date Interest Owed	\$6.87
Margin Equity	\$14,223.46
Equity Percent	100%
Margin Buying Power	Margin Rates

b.) The “Historical Balances” show a *Balance Subject to Interest*, \$74,642.25 and also *Settled Funds*, \$28,342.36. Even presuming the Historical Account Data to be valid, *arguendo*, still these balances are troublesome because *Settled Cash* remains stated in the account. That amount, \$28,242.36, should have been withdrawn, and the loan

SECTION C: LIVE VS. HISTORICAL BALANCES

amount reduced accordingly. As discussed previously, virtually every other Historical Balance differs from the Live Balances [C.35].

March 23rd Historical Balances [C.2]

Settled Funds 	\$28,342.36
<hr/>	
– Margin Details & Buying Power	
Balance Subject to Interest 	\$74,642.25
Month to Date Interest Owed	\$54.28
Margin Equity	\$14,216.30
Equity Percent	100%
Margin Buying Power	Margin Rates 

- c.) The March Statement reports a Margin Loan for \$74,594.84, and interest fees of \$47.41, for the period March 23rd through March 25th.

March Statement p.32 [C.23]

Transaction Detail - Fees & Charges

Transaction Date	Process Date	Activity	Description	Credit/(Debit)
03/28/18	03/28/18	Margin Interest	INTEREST 02/27THRU 03/27	(54.28)
Total Fees & Charges				(54.28)

The opening margin loan balance on 03/01 was \$0.00.

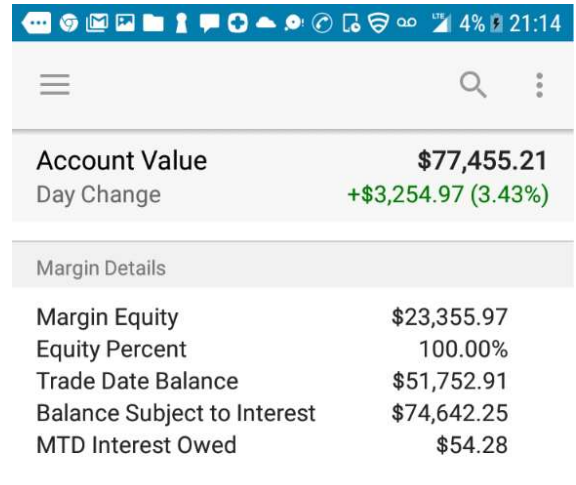
The margin interest period does not correspond to the statement period. Retain this statement for use in conjunction with the next statement.

03/01 through 03/01: \$6.87 based on 8.325% margin interest rate charged on average daily balance of \$(29,705.33).

03/23 through 03/25: \$47.41 based on 7.625% margin interest rate charged on average daily balance of \$(74,594.84).

March 26th at 9:14 PM [C.17]

- d.) On Monday, March 26th (the day after the loan period concluded according to the March Statement), a **"Balance Subject to Interest"** is stated in the Live Data even late into the evening. March [C.17].



Account Value	\$77,455.21
Day Change	+\$3,254.97 (3.43%)
Margin Details	
Margin Equity	\$23,355.97
Equity Percent	100.00%
Trade Date Balance	\$51,752.91
Balance Subject to Interest	\$74,642.25
MTD Interest Owed	\$54.28

- e.) This is especially critical with respect to the "Pattern Day Trader" restriction. The Historical Data reports March 23rd end-of-day account value of \$94,983.44. A debt of \$74,642.25 levied against the account on Monday, March 26, indeed would have dropped the net liquidating value of the account below the \$25,000 threshold on Monday, March 26.

SECTION C: LIVE VS. HISTORICAL BALANCES

f.) The truth is *Settled Funds **did** exist to finance the entirety of the withdrawal at the end of Friday, March 23, but transactions were eliminated from the record and the funds were concealed by the illegitimate Balance Subject to Interest that was edited into the Historical Balances.*

6) On March 26th, The Live Balances display a value for "Funds Available: Cash + Borrowing" that is LESS THAN "Funds Available: Cash Investments", thereby implying a negative value for 'Funds Available to Borrow.'

a) At 1:46 PM, stated as "*Funds Available to Trade*" the value for *Cash + Borrowing* **is less than** *Cash Investments*. At the time, the account was completely prohibited from opening new positions in the Brokerage Account—despite funds clearly being available—due to what Schwab representatives insisted was due to a "Pattern Day Trader" restriction.

March 26th at 1:24 PM (C.15)

Funds Available

To Trade

Cash Investments	\$51,698.63
Settled Funds	\$51,698.63
Cash + Borrowing	\$23,498.88
SMA	\$23,356.00
Day Trade Buying Power	\$14,216.00

To Withdraw

Cash Investments	\$11,695.13
Cash on Hold	\$54.28
Cash + Borrowing	\$11,695.13

b) These figures imply a negative value for funds available to Borrow (which is not stated separately but calculable with respect to Cash + Borrowing compared to the other fields)

(Cash + Borrowing) — (Cash Investments) = Funds Available for Borrowing (Implied)

$$\$23,498.88 - \$51,698.63 = -\$28,199.75$$

SECTION C: LIVE VS. HISTORICAL BALANCES

- c) After the market close, Schwab Mobile Application displays Cash + Borrowing = \$0.00, and thus implies that the Funds Available to Borrow are -\$51,698.63, effectively zeroing-out the Cash Investments held in the account (C.16 on next page).

March 26th at 5:27 PM – 5:27 PM (C.16)

Funds Available	
To Trade	
Cash Investments	\$51,698.63
Settled Funds	\$51,698.63
Cash + Borrowing	\$0.00
SMA	\$23,356.00
Day Trade Buying Power	\$14,216.00
To Withdraw	
Cash Investments	\$0.00
Cash on Hold	\$54.28
Cash + Borrowing	\$0.00
Margin Details & Buying Power >	

- d) The amount in question, \$51,698.63, is involved in another anomaly whereby *Mutual Funds Buying Power* was inexplicably populated with that value.

March 26th at 9:14 PM (C.17)

Mutual Funds Buying Power (Non-Marginable):
\$51,698.63

ALL OTHER MARGIN BUYING POWER = \$0

Margin Buying Power	
Marginable Securities	
Equities	\$0.00
Mutual Funds	\$0.00
Short Selling	\$0.00
Non-Marginable Securities	
Equities	\$0.00
Mutual Funds	\$51,698.63
Penny Stocks	\$0.00
Fixed Income	
Treasuries Maturing in 10+ yrs	\$0.00
Government Agencies	\$0.00
Municipal Bonds	\$0.00
Non-convertible Corporates	\$0.00

SECTION C: LIVE VS. HISTORICAL BALANCES

7) Several accounting discrepancies between the Live and Historical Balances for March 27th involve the same types of issues identified in the March 23rd account figures.

a.) The discrepancy in *Account Value* corresponds *nearly* exactly to the Futures Account value that was excluded from the Historical Balances.

Historical Balances – March 27th (C.18)

Historical Balances ¹ for 03/27/2018 [Return to Current Balances](#)

Change Date :

The historical balance data reflect the ending values of the date selected.

Account Value ⁰	Day Change	Cash & Cash Investments	Market Value
\$38,419.53	-\$59,818.88	-\$38,984.97	\$77,404.50

– Cash & Cash Investments

Bank Sweep Feature - Rates	\$51,752.91
Cash Balance	-\$90,737.88
Cash & Cash Investments Total	-\$38,984.97

Live Balances – March 27th at 8:53 PM [C.19]

Account Value	\$94,327.12
Day Change	-\$59,814.43 (-60.89%)
Cash & Cash Investments	
Total	-\$38,980.52
Bank Sweep	\$51,752.91 >
Cash Balance	\$0.00 >
Margin ¹	-\$90,733.43
Investments	
Total	\$77,404.50
Securities	\$0.00 >
Options	\$77,404.50
Schwab Futures -	
Futures Account Value	\$55,903.14
Futures Total Equity	\$55,903.14 >
Initial Margin Requirement	\$15,620.00 >
Futures Buying Power	\$1,248.34

END OF DAY ACCOUNT VALUE DISCREPANCY

— Live Balances [C.19]:	\$94,327.12
— Historical Balances [C.18]	\$38,419.53
Discrepancy	\$55,907.59

Compare to:

Futures Account Value:	\$55,903.14
Difference:	\$4.45

SECTION C: LIVE VS. HISTORICAL BALANCES

b.) The \$4.45 discrepancy calculated above is also reflected in the *Margin Equity*, and *Day Change*, and *Total Cash*:

March 27th – Live vs. Historical Balances

Margin Balance (Live Data)	-\$90,733.43
Cash Balance (Historical Data)	-\$90,737.88
Difference:	\$4.45

Day Change (Live Data):	-\$59,814.43
Day Change (Historical Balances):	-\$59,818.88
Difference:	\$4.45

Cash and Cash Investments – Total (Live):	-\$38,980.52
Cash and Cash Investments – Total (Historical):	-\$38,984.97
Difference:	\$4.45

c.) \$4.45 and the previously identified discrepancy, \$7.16, both relate to an anomalous *Balance Subject to Interest* appearing in the April account data shortly before the final activity in the account (*See #8* below).

d.) The *Day Change* implies that the previous day's Account Value was \$154,141.55. But the Historical Balances report a lower value, \$98,238.41, and the discrepancy is precisely equal to the Futures Account Value, \$55,903.14.

3/27 – Account Value (Live):	\$94,327.12
3/27 – Day Change (Live):	-\$59,814.43
3/26 – Account Value (Implied):	\$154,141.55

[C.19]

Live Balances – March 27th at 8:53 PM

Account Value	\$94,327.12
Day Change	-\$59,814.43 (-60.89%)

3/26 – Account Value (Implied):	\$154,141.55
3/26 – Account Value (Historical):	\$98,238.41
Discrepancy:	\$55,903.14

[C.3] → Historical Personal Value

Date	Personal Value
Tuesday, March 27, 2018	\$38,419.53
Monday, March 26, 2018	\$98,238.41

SECTION C: LIVE VS. HISTORICAL BALANCES

- ❖ Similar to the analysis for March 22-23, the discrepancy indicates that cash value existed in the account (as the Futures Account value) but was concealed by altering the account data to eliminate the Futures Account altogether.

8) The unreconciled discrepancies between the Live and Historical Balances on March 23rd and 27th precisely correspond to the amount of an unexplained, unjustified *Balance Subject to Interest* appears in the Live Balances for on April 13.

- Discrepancies for \$4.45 and \$7.16 appear in the Cash Accounting for March 23 and March 27, respectively (See above #1-e and #7-a).
- \$11.61** is exactly equal to the sum of \$4.45 and \$7.16, and is precisely the amount of an unexplained "Balance Subject to Interest" that appears in the Live Data for April 13, in the final days of activity in the account.

April 13 at 11:55 AM (C.20)

Account Value	
Account Value	\$1,266.07
Day Change	-\$1,506.80 (-54.34%)
Margin Details	
Margin Equity	\$381.57
Equity Percent	100.00%
Trade Date Balance	\$381.57
Balance Subject to Interest	\$11.61
MTD Interest Owed	\$0.00



Action Required

April 12, 2018 | your account ending: 612

- A Margin Call for \$12 was issued—inexplicably—on April 12. (C.21-22)

Maintenance Call - Action Required

Dear Valued Client:

This notice is to inform you that immediate action is required to avoid having your account partially or fully liquidated.

Our records indicate that there is a maintenance call present in your account ending in 612, and that additional cash and/or securities need to be delivered immediately in order to increase your account equity above the required minimum level.

Maintenance calls are due immediately. You may:

- * Deposit at least \$12.00 into your account at your local Schwab branch office
- * Deposit marginable securities into your account
- * Wire funds of at least \$12.00 into your account*
- * Liquidate sufficient security positions in your account
- * Transfer funds from another Schwab account

SECTION C: LIVE VS. HISTORICAL BALANCES

9) Overall, eliminating the Futures Account from the Historical Balances was problematic because the Margin debt was not adjusted accordingly to account for Sweep to Futures (that generated Margin Debts because the funds were held in the Bank Sweep Feature at the time of the Sweep to Futures). The various other contrivances operated in concert so to conceal this value ever having existed.

a.) The Margin Debt is the sum of the *Sweep to Futures* and the total Investments purchased on March 27th. Clearly, it was "erroneous" to eliminate the Futures Account value from the Historical Balances without a corresponding adjustment to the Margin debt (displayed as a negative *Cash Balance* in the Historical Data).

3/27 - Investments purchased: -\$39,039.25 (as reported by March Statement)
 + 3/27 – *Sweep to Futures*: -\$51,698.63

Margin Debt (Cash Balance): -\$90,737.88

Live Balances – March 27th at 8:53 PM (C.19)

Account Value	\$94,327.12
Day Change	-\$59,814.43 (-60.89%)
Cash & Cash Investments	
Total	-\$38,980.52
Bank Sweep	\$51,752.91
Cash Balance	\$0.00
Margin ¹	-\$90,733.43

3/27 – Historical Balances (C.18)

Historical Balances ¹ for 03/27/2018 Return to Current Balances	
The historical balance data reflect the ending values of the date selected.	
Account Value ⁰	\$38,419.53
Day Change	-\$59,818.88
– Cash & Cash Investments	
Bank Sweep Feature - Rates ⁹	\$51,752.91
Cash Balance ⁰	-\$90,737.88
Cash & Cash Investments Total	-\$38,984.97

March Statement p.32 (C.23)

Transaction Detail - Deposits & Withdrawals

Transaction Date	Process Date	Activity	Description	Location	Credit/(Debit)
03/23/18	03/23/18	Journalized Funds	Sweep to Futures		(13,768.61)
03/23/18	03/23/18	MoneyLink Txn	Tfr FIRST NATIONAL BAN, DAVID PITLOR		(75,000.00)
03/26/18	03/26/18	Journalized Funds	Sweep from Futures		23,355.97
03/27/18	03/27/18	Journalized Funds	Sweep to Futures		(51,698.63)
03/28/18	03/28/18	Journalized Funds	Sweep from Futures		42,080.03
03/29/18	03/29/18	Journalized Funds	Sweep from Futures		12,499.41
Total Deposits & Withdrawals					(62,531.83)

The total deposits activity for the statement period was \$77,935.41. The total withdrawals activity for the statement period was \$140,467.24.

b.) The problem is compounded by the fact that the Futures Account Value was EXCLUDED from *Cash and Cash Investments – Total* (contradicting Schwab’s standard accounting

SECTION C: LIVE VS. HISTORICAL BALANCES

protocols), resulting in erroneously understated cash balances that were exploited in symphony with the other fraudulent contrivances to conceal the theft—particularly involving the Futures Account (**See Section A – Futures Account, generally**).

1. Calculated properly (including the Futures Account), *Cash and Cash Investments – Total* should be:

Bank Sweep:	\$51,752.91
+ Futures Account Value:	\$55,903.14
+ Margin:	<u>(\$90,733.43)</u>
Cash and Cash Investments – Total (Calculated):	\$16,922.62

2. For *Cash and Cash Investments – Total*, the difference between the correctly calculated value and the Schwab Balance data is the value of the Futures Account:

Cash and Cash Investments – Total (CALCULATED):	\$16,922.62
— <u>Cash and Cash Investments – Total (Live):</u>	<u>-\$38,980.52</u>
Difference = Futures Account Value:	\$55,903.14

3. \$16,922.62 is also the difference between *Account Value* and the *Market Value* of Investments, thereby further affirming that this as the correct amount for *Cash and Cash Investments – Total*:

Account Value (Live):	\$94,327.12
<u>Investments Value (Live & Historical):</u>	<u>\$77,404.50.</u>
Cash and Cash Investments – Total	\$16,922.62

SECTION C: LIVE VS. HISTORICAL BALANCES

10) A Margin Call was issued during the afternoon of March 27, and the next morning this debt was cancelled—apparently—by issuing a “Money Due” for a negative amount.

a.) During the afternoon of 3/27, a Maintenance Call was issued for \$38,980, but the next morning 3/28 an “Urgent Notice” states that Funds Due for a **NEGATIVE amount**, - \$38,986. (Other “Funds Due” messages do not state the amount due as a negative number [C.30], thus the true meaning of a negative amount for “Funds Due” could actually indicate “Funds Owed (by Schwab)”)

3/27 Margin Call for \$38,980 (C.24-25)

3/28 Funds Due of -\$38,986 (C.26-27)

Maintenance Call - Action Required

Dear Valued Client:

This notice is to inform you that immediate action is required to avoid having your account partially or fully liquidated.

Our records indicate that there is a maintenance call present in your account ending in 612, and that additional cash and/or securities need to be delivered immediately in order to increase your account equity above the required minimum level.

Maintenance calls are due immediately. You may:

- * Deposit at least \$38980.00 into your account at your local Schwab branch office
- * Deposit marginable securities into your account
- * Wire funds of at least \$38980.00 into your account*
- * Liquidate sufficient security positions in your account
- * Transfer funds from another Schwab account

To ensure your trading isn't interrupted, please deposit funds into your account as soon as possible

Thank you for investing with Schwab. We would like to remind you that your account has funds due of \$-38986.

What this means for your account.

Typically, purchases of securities settle on the second business day after the trade date. By depositing funds promptly, you can ensure that you will be able to continue to extend payment beyond the trade date.

b.) Even if the March 27th “Maintenance Call” is regarded to be valid, and moreover if it is acceptable for a negative amount to be stated for “Funds Due,” still there is a problem because the “Funds Due” message received at 7:56 AM, but the Futures Sweep was already posted to the account as of 3:12 AM so there was no such deficit, and so here again an issue indicates issues with the timekeeping.

March 28th at 3:12 AM (C.28)

IS	GAIN/LOSS	BALANCES	HISTORY	TILE VIEW
Account Value			\$94,769.49	
Day Change			-\$17,738.85 (-18.06%)	
View Statements & Reports >				
Filter: All Transactions >				
Up to 24 months >				
March 28, 2018				
Sweep from Futures			\$42,080.03	>
TRF BTWN SCH ACCTS				

SECTION C: LIVE VS. HISTORICAL BALANCES

11) The account data for March 28th also contain discrepancies relating to the Futures Account, Gain/Loss, and Cash Accounting.

a.) The account data for March 28th is clearly askew, again there is value clearly existing in the Live Balances that has disappeared from the historical data.

Live Data: _____

Account Value:	\$46,797.20
Investments Total:	\$45,277.50
Futures Account Value:	\$12,499.41
Cash and Cash Investments Total:	-\$10,979.71

Compare to Historical Value: \$33,928.92

Excerpt from C.3

Historical Personal Value

Date

Wednesday, March 28, 2018	\$33,928.92
---------------------------	-------------

March 28th at 5:38 PM **[C.29 = A.18]**

Individual	
POSITIONS	GAIN/LOSS
BALANCES	HISTO
Account Value	\$46,797.20
Day Change	-\$4,121.74 (-10.73%)
Cash & Cash Investments	
Total	-\$10,979.71
Cash Balance	\$0.00
Margin ¹	-\$10,979.71
Investments	
Total	\$45,277.50
Securities	\$0.00 >
Options	\$45,277.50
Schwab Futures -	
Futures Account Value	\$12,499.41
Futures Total Equity	\$12,499.41 >
Initial Margin Requirement	\$0.00
Futures Buying Power	\$1,465.13
Funds Available	
To Trade	
Cash Investments	\$0.00
Settled Funds	\$0.00
Cash + Borrowing	\$0.00
SMA	\$0.00

b.) These values simply do not compute. In addition to the Brokerage Account's assets valued over \$45k, an additional \$12,499.41 existed in the Futures Account—even if we are to presume that the \$10,979.71 was a legitimate debt (setting aside the fact that the deficit was the consequence of previous theft) there *appears* to be no rhyme or reason for the Historical Value of \$33,928.92, but there is, as demonstrates by the analysis below:

SECTION C: LIVE VS. HISTORICAL BALANCES

1. **Compare total Account Value to the "Historical Account Value":**

Total Account Value = Investments + Futures + Cash

$$\$46,797.20 = \$45,277.50 + 12,499.41 - \$10,979.71$$

Total Account Value (3/28 - Live):	\$46,797.20
—Historical Value (3/28):	\$33,928.92
Discrepancy:	\$12,868.28

2. **Compare the Brokerage Account Value to the "Historical Account Value"**

Brokerage account value = total account value minus the futures account

$$\$34,297.79 = \$46,797.20 - \$12,499.41$$

Brokerage Account Value (3/28 - Live):	\$34,297.79
—Historical Value (3/28):	\$33,928.92
Discrepancy:	\$368.87

3. The difference between these discrepancies is somehow equal to the Futures Account Value

$$\mathbf{\$12,499.41 = \$12,868.28 - \$368.87}$$

c.) According to the *Day Change* stated by the March 28th data, the account value for March 27th is implied to be \$50,918.94. The Historical Account Value for March 27th is \$38,419.53. The difference, \$12,499.41 is exactly the value of the Futures Account, \$12,499.41.

1. Calculating Implied Account Value for March 27:

3/28 – Account Value (Live):	\$46,797.20
3/28 – Day Change (Live):	-\$4,121.74
3/27 – Account Value (Implied):	\$50,918.94

March 28th at 5:38 PM (C.29)

Account Value	\$46,797.20
Day Change	-\$4,121.74 (-10.73%)

SECTION C: LIVE VS. HISTORICAL BALANCES

2. The Historical Balances report a different amount, and the discrepancy is precisely equal to the Futures Account Value.

3/27 – Account Value (Implied):	\$50,918.94
3/27 – Account Value (Historical):	\$38,419.53
Discrepancy:	\$12,499.41

Historical Personal Value (C.3)

Historical Personal Value

Date	Personal Value
Tuesday, March 27, 2018	\$38,419.53

- d.) The evening of March 28, a “Money Due” message appears for \$10,982, but this amount does match the amount of the negative cash balance in the live data, nor does it match the Margin Deficit of the Historical Data. These discrepancies appear to be adjustments that serve to “balances the books.”

Cash and Cash Investments – Total (3/28 at X:xx):	-\$10,979.71
Money Due (3/28 at X:xx):	-\$10,982
Margin Balance – Historical (3/28 – Holdings by Investor):	-\$11,036.22

3/28 at 5:30 PM - (C.30)



Money Due: \$10,982.00 For more information, please call 1-800-435-4000.

3/28 at 5:38 PM – (C.29)

Cash & Cash Investments

Total	-\$10,979.71
Cash Balance	\$0.00
Margin ¹	-\$10,979.71

SECTION C: LIVE VS. HISTORICAL BALANCES

3/28 Holdings By Investor (C.31)

CASH	CASH INVESTMENTS	0.64
MARGIN	CASH INVESTMENTS	-11,036.22

e.) The \$2.29 difference between the "Money Due" for \$10,982 [C.30] and Cash and Cash Investments, \$10,979.71 [C.29] corresponds to nothing discernable in the account data.

f.) Other discrepancies exist in the live intra-day data for March 28th:

March 28 at 9:43 AM [C.32]

Account Value		\$62,923.63
Day Change		+\$10,883.53 (28.33%)
Margin Details		
Margin Equity		\$3,095.06
Equity Percent		100.00%
Trade Date Balance		\$3,095.06
Balance Subject to Interest		\$0.00
MTD Interest Owed		\$54.28
Margin Buying Power		
Marginable Securities		
Equities		\$33,429.14
Mutual Funds		\$16,661.29
Short Selling		\$33,429.14
Non-Marginable Securities		
Equities		\$16,661.29
Mutual Funds		\$3,040.72
Penny Stocks		\$16,661.29
Fixed Income		
Treasuries Maturing in 10+ yrs		\$166,612.90
Government Agencies		\$83,306.45
Municipal Bonds		\$66,645.16
Non-convertible Corporates		\$55,537.63
Convertible Corporates		\$33,429.14
Options		
Long (cleared funds)		\$16,661.35
Short (minimum equity required)		\$16,661.29

March 28 at 9:43 AM [C.33]

Account Value		\$62,923.63
Day Change		+\$10,883.53 (28.33%)
Cash & Cash Investments		
Total		\$3,095.06
Cash Balance		\$0.00
Margin ¹		\$3,095.06
Investments		
Total		\$46,208.00
Securities		\$0.00
Options		\$46,208.00
Schwab Futures -		
Futures Account Value		\$13,620.57
Futures Total Equity		\$13,620.57
Initial Margin Requirement		\$0.00
Futures Buying Power		\$16,661.29
Funds Available		
To Trade		
Cash Investments		\$3,040.78
Settled Funds		\$3,040.72
Cash + Borrowing		\$33,429.14
SMA		\$3,094.00
Day Trade Buying Power		\$0.00

1. There is a \$.06 difference in the Funds Available to Trade fields *Cash Investments vs. Settled Funds*. This raises an obvious question, 'How could there legitimately be \$.06 of unsettled funds in the account?'.... it simply defies reason. (See above 3(c)-3, a similar discrepancy for \$.26 exists in the March 22 account data)

SECTION C: LIVE VS. HISTORICAL BALANCES

2. Various other fields have been manipulated and do not make sense, particularly considering the "Settled Cash Up Front" restriction that remained in effect until it was supposedly lifted later in the afternoon of March 28th.
 - i. Cash + Borrowing is \$33,429.14.
 - ii. Day Trade Buying Power = \$0.00. According to Schwab representatives, The account was restricted due to the account being flagged as a "Pattern Day Trader", but this simply makes no sense because the account had more than \$25,000 in value. This was the same explanation given on the two previous days where the account was similarly restricted for all or part of the day. Clearly, the restriction in place was something else entirely, and the purpose was to freeze the funds targeted for concealment.
3. SMA is \$3094.00, which is similar to the total Cash Investments, \$3095.06, but clearly does not match and thus reinforces the notion that this refers to a value that was separately targeted and concealed.

SECTION C: LIVE VS. HISTORICAL BALANCES

12) **Superscripts throughout the Live and Historical data indicate that account balances were continuously manipulated.**

- a. The live data on March 23 shows seven Superscripts "1" – "7", indicating an exception or modification of some sort: [C.1]

Total Accounts Value ¹	Day Change ²	Total Cash & Cash Investments ³
\$118,126.57	+\$26,310.96 (+38.43%) ⓘ	\$51,760.07
— Cash & Cash Investments		
Bank Sweep ⁴ - Rates ⓘ		\$14,180.64
— Options ⁵		
		\$66,366.50
— Charles Schwab Futures ⁶ ⓘ		
DAVID PITLOR 6725-6617		
— Margin Details & Buying Power ⁷		

- b. The historical data on March 23 shows only a single Superscript "0" for historical data – for *Account Value*, indicating that record of the "exceptions" in the live data has been **almost** entirely eliminated:

3/23 - Historical Balances [C.2]

Account Value ⁰
\$94,983.44

- c. Superscripts appear above other balances on different days as well. Schwab altogether refuses to acknowledge the issue, and their precise significance remains unexplained.