

GPI Futures, LLC

FILED
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS

JUN 06 2018

**JEFFREY P. ALLSTEADT, CLERK
INTAKE 3**

June 5, 2018

U.S. Bankruptcy Court
Dirksen Federal Building
219 S. Dearborn St.
Room 713
Chicago, IL 60604

CC: Shaw Fishman Glantz & Towbin, LLC
321 North Clark Street
Suite 800
Chicago, IL 60654
ATTN: Christina M. Sanfelippo, Esq.

Case Number: 12-27488 (Peregrine Financial Group, Inc.)
Claim: 4438 (GPI Futures)
Re: Response of GPI Futures, LLC to Claim Objection

To: Honorable Judge Carol A. Doyle

This memorandum is in response to the Trustee's assertion that GPI Future's claim against the debtor (Peregrine Financial Group, Inc.) is not deserving of Priority Status under the U.S. Bankruptcy Code, Section 507(a)(4)(B). For a claim to be awarded priority status, the claimant must have earned at least 75 percent of an independent contractor's earnings from goods or services from the debtor. I have attached the following documents and facts to assert this is indeed the case. GPI Futures should be granted priority status.

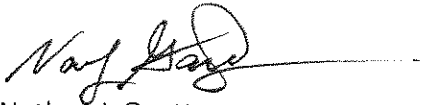
1. The period under question is 12 months prior to the claim (October 26th, 2012). GPI Futures was incorporated in 2011 but did not derive any income in that year. Please see Exhibit A, IRS Form 1120S for the year 2011 showing no income.

2. During the year 2012 leading up to the claim, GPI Futures earned \$14,417. Please see Exhibit B, IRS Form 1120S for the year 2012.
3. All the income derived in this period was from the Debtor. Please find Exhibit C, Income Transaction Detail for 2012. GPI Futures was a "captive" Introducing Broker and had no relationships with other brokerage firms or sources of revenue other than the Debtor.
4. Exhibit C shows income from Peregrine in the amounts of:
 - a. \$1,081 on 2/15/2012
 - b. \$2,268 on 3/15/2012
 - c. \$3,756 on 4/13/2012
 - d. \$3,632 on 5/15/2012
 - e. \$3,952 on 6/15/2012
5. Exhibit D shows the P&L for GPI Futures in 2012.
6. It should be possible to corroborate these amounts paid to GPI Futures with internal records from the Debtor.

Also, please note that GPI Futures has no objection to the claim amount of \$6,584 put forth in claim objection.

If there are any questions regarding this response, please direct to me, Nathan Gantt, at 770-777-1954 or by mail at 1139 Ascott Valley Drive, Duluth, GA 30097. By Email to Lee@GPIFutures.com.

Sincerely,



Nathan L Gantt
President

Form **1120S**

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

Department of the Treasury
Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
See separate instructions.

2011

For calendar year 2011 or tax year beginning Nov 4, 2011, ending Dec 31, 2011

A S election effective date 11/04/11	TYPE OR PRINT	Name GPI FUTURES LLC	D Employer identification number 45-3744074
B Business activity code number (see instrs) 523140		Number, street, and room or suite no. If a P.O. box, see instructions. 1139 ASCOTT VALLEY DR	E Date incorporated 11/04/11
C Check if Sch M-3 attached <input type="checkbox"/>		City or town, state, and ZIP code DULUTH GA 30097	F Total assets (see instructions) \$ 880.

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If 'Yes,' attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change
(4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year **1**

Caution. Include *only* trade or business income and expenses on lines 1a through 21. See the instructions for more information.

I N C O M E	1 a Merchant card and third-party payments. For 2011, enter -0-.....	1 a	0.
	b Gross receipts or sales not reported on line 1a (see instructions)	1 b	
	c Total. Add lines 1a and 1b	1 c	0.
	d Returns and allowances plus any other adjustments (see instructions)	1 d	
	e Subtract line 1d from line 1c	1 e	0.
	2 Cost of goods sold (attach Form 1125-A)	2	
3 Gross profit. Subtract line 2 from line 1e	3	0.	
4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	4		
5 Other income (loss) (see instrs - att statement)	5		
6 Total income (loss). Add lines 3 through 5	6	0.	
D E D U C T I O N S S E E I N S T R S	7 Compensation of officers	7	
	8 Salaries and wages (less employment credits)	8	
	9 Repairs and maintenance	9	
	10 Bad debts	10	
	11 Rents	11	
	12 Taxes and licenses	12	
	13 Interest	13	
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14	
	15 Depletion (Do not deduct oil and gas depletion.)	15	
	16 Advertising	16	
	17 Pension, profit-sharing, etc, plans	17	
	18 Employee benefit programs	18	
	19 Other deductions (attach statement) *.. STMT	19	1,120.
	20 Total deductions. Add lines 7 through 19	20	1,120.
	21 Ordinary business income (loss). Subtract line 20 from line 6	21	-1,120.
T A X A N D P A Y M E N T S	22 a Excess net passive income or LIFO recapture tax (see instructions)	22 a	
	b Tax from Schedule D (Form 1120S)	22 b	
	c Add lines 22a and 22b (see instructions for additional taxes)	22 c	
	23 a 2011 estimated tax payments and 2010 overpayment credited to 2011	23 a	
	b Tax deposited with Form 7004	23 b	
	c Credit for federal tax paid on fuels (attach Form 4136)	23 c	
	d Add lines 23a through 23c	23 d	
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached	24	<input type="checkbox"/>
	25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed	25	
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	26	
27 Enter amount from line 26 Credited to 2012 estimated tax	27	Refunded	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: _____ Date: _____ Title: **PRESIDENT**

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only

Print/Type preparer's name: GREGG C. BRASHER, CPA Preparer's signature: *Gregg C. Brasher* Date: 02/16/12 Check if self-employed PTIN: P00150973

Firm's name: Carmichael Brasher Tuvel & Company Firm's EIN: 58-1696247

Firm's address: 1647 Mount Vernon Rd Atlanta GA 30338 Phone no.: (678) 443-9200

Form **1120S**

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

2012

Department of the Treasury
Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s.

For calendar year 2012 or tax year beginning , 2012, ending

A S election effective date 11/04/11	TYPE OR PRINT	Name GPI FUTURES LLC	D Employer identification number 45-3744074
B Business activity code number (see instrs) 523140		Number, street, and room or suite no. If a P.O. box, see instructions. 1139 ASCOTT VALLEY DR	E Date incorporated 11/04/11
C Check if Schedule M-3 attached <input type="checkbox"/>		City or town, state, and ZIP code DULUTH GA 30097	F Total assets (see instructions) \$ 33.

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If 'Yes,' attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change
(4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year 1

Caution. Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

INCOME	1 a Gross receipts or sales	1 a	14,417.	
	b Returns and allowances	1 b		
	c Balance. Subtract line 1b from line 1a			1 c 14,417.
	2 Cost of goods sold (attach Form 1125-A)			2
	3 Gross profit. Subtract line 2 from line 1c			3 14,417.
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)			4
5 Other income (loss) (see instrs - att statement)			5	
6 Total income (loss). Add lines 3 through 5			6 14,417.	
DEDUCTIONS	7 Compensation of officers			7
	8 Salaries and wages (less employment credits)			8
	9 Repairs and maintenance			9
	10 Bad debts			10
	11 Rents			11
	12 Taxes and licenses			12 10.
	13 Interest			13
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			14
	15 Depletion (Do not deduct oil and gas depletion.)			15
	16 Advertising			16 100.
	17 Pension, profit-sharing, etc. plans			17
	18 Employee benefit programs			18
	19 Other deductions (attach statement) * STMT			19 13,101.
	20 Total deductions. Add lines 7 through 19			20 13,211.
	21 Ordinary business income (loss). Subtract line 20 from line 6			21 1,206.
TAX AND PAYMENTS	22 a Excess net passive income or LIFO recapture tax (see instructions)	22 a		
	b Tax from Schedule D (Form 1120S)	22 b		
	c Add lines 22a and 22b (see instructions for additional taxes)			22 c
	23 a 2012 estimated tax payments and 2011 overpayment credited to 2012	23 a		
	b Tax deposited with Form 7004	23 b		
	c Credit for federal tax paid on fuels (attach Form 4136)	23 c		
	d Add lines 23a through 23c			23 d
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached			24
	25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed			25
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid			26
27 Enter amount from line 26 Credited to 2013 estimated tax			27 Refunded	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer: _____ Date: _____ Title: **PRESIDENT**

Print/Type preparer's name: **SUZANNE M. TUVELL, CPA** Preparer's signature: *[Signature]* Date: **03/07/13** Check if self-employed PTIN: **P00437644**

Firm's name: **CARMICHAEL BRASHER TUVELL & CO.** Firm's EIN: **58-1696247**

Firm's address: **1647 MOUNT VERNON RD ATLANTA GA 30338** Phone no.: **(678) 443-9200**

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

8:01 PM
05/23/18
Accrual Basis

Exhibit C

GPI Futures, LLC
Transaction Detail By Account
October 26, 2011 through October 26, 2012

Type	Date	Num	Name	Memo	Cir	Split	Amount	Balance
commission								
Deposit	2/15/2012		Peregrine	Deposit		Checking	1,081.00	1,081.00
Deposit	3/15/2012		Peregrine	Deposit		Checking	2,268.00	3,349.00
Deposit	4/13/2012		Peregrine	Deposit		Checking	3,756.00	7,105.00
Deposit	5/15/2012		Craig Culpepper	Deposit		Checking	3,632.00	10,737.00
Check	5/15/2012	eft	Craig Culpepper			Checking	-204.00	10,533.00
Deposit	6/15/2012		Craig Culpepper	Deposit		Checking	3,952.00	14,485.00
Check	6/16/2012	eft	Craig Culpepper			Checking	-68.00	14,417.00
Total commission							14,417.00	14,417.00
TOTAL							14,417.00	14,417.00

8:00 PM
05/28/18
Accrual Basis

GPI Futures, LLC
Profit & Loss
October 26, 2011 through October 26, 2012

	<u>Oct 26, '11 - Oct 26, 12</u>
Income	
commission	14,417.00
Total Income	<u>14,417.00</u>
Expense	
Advertising	100.00
bank service charge	109.35
Commissions Payable	493.00
Consulting services	12,000.00
Dues & Subscription	1,087.00
Entertainment	
Meals	106.39
Total Entertainment	<u>106.39</u>
office supplies	73.56
Professional Services - account	375.00
tax	10.00
Total Expense	<u>14,354.30</u>
Net Income	<u><u>62.70</u></u>