

# EXHIBIT 1

## SETTLEMENT AGREEMENT

WHEREAS, by orders dated January 21, 2009, June 3, 2009, January 19, 2010, September 23, 2010, October 29, 2012, and March 7, 2013 the Court in Securities & Exch. Comm'n v. Arthur Nadel, et al., Case No. 8:09-cv-87-T-26TBM (M.D. Fla.) (the "SEC Receivership Action"), appointed Burton W. Wiand as Receiver (the "Receiver") for Scoop Capital, LLC; Scoop Management, Inc.; Scoop Real Estate, L.P.; Valhalla Investment Partners, L.P.; Valhalla Management, Inc.; Victory IRA Fund, LTD; Victory Fund, LTD; Viking IRA Fund, LLC; Viking Fund, LLC; Viking Management, LLC; Venice Jet Center, LLC; Tradewind, LLC; Laurel Mountain Preserve, LLC; Laurel Preserve, LLC; Laurel Mountain Preserve Homeowners Association, Inc.; Marguerite J. Nadel Revocable Trust UAD 8/2/07; Guy-Nadel Foundation, Inc.; Lime Avenue Enterprises, LLC; A Victorian Garden Florist, LLC; Viking Oil & Gas, LLC; Home Front Homes, LLC; Traders Investment Club; Summer Place Development Corp.; Respiro, Inc.; and Quest Energy Management Group, Inc. (collectively, the "Receivership Entities"); and

WHEREAS, on February 25, 2013, the Court entered Judgment (the "Judgment") in favor of the Receiver and against Defendants/Judgment Debtors Donald Rowe, individually and in his capacity as Trustee of the Wall Street Digest Defined Benefit Pension Plan ("D. Rowe"), Joyce Rowe ("J. Rowe"), and Carnegie Asset Management, Inc. (collectively, "Defendants" or "Judgment Debtors"), in the amount of \$4,028,385.00. See Burton W. Wiand, as Receiver v. Rowe, et al., Case No. 8:10-cv-245-T-17MAP (M.D. Fla.) ("Rowe Action"); and

WHEREAS, Judgment Debtors transferred certain of their assets to third parties, including Ty Hardin ("T. Hardin") and/or Choice Direct Mail, Inc. ("Choice Direct") f/k/a Carnegie Marketing Associates, Inc. ("CMA") (collectively the "Transferees"); and

WHEREAS, on May 21, 2013, the Receiver filed a motion to commence proceedings supplementary and to implead third parties into the Rowe Action, including T. Hardin, Choice Direct, CMA, Brittany Hardin, Brooke Hardin, and Mary Braeger Hardin (“Impleader Motion”), which motion was granted by the Court on August 8, 2013, to recover assets that were fraudulently transferred by the Judgment Debtors to others, including the Transferees; and

WHEREAS, the Receiver and the Transferees wish to resolve these matters amicably; and

WHEREAS, the Transferees do not admit any liability; and

WHEREAS, any resolution of this action by agreement of the Receiver and the Transferees is subject to approval by the Court presiding over the SEC Receivership Action (the “SEC Receivership Court”);

NOW, THEREFORE, and subject to the approval of the SEC Receivership Court, the Transferees have agreed to pay and/or transfer certain assets and the Receiver has agreed to accept on behalf of all Receivership Entities such payments and/or asset transfers (collectively referred to as the “Settlement Amount”) in full settlement of the Released Claims (as defined below), including all remaining assets of CMA that were transferred to Choice Direct and/or T. Hardin, which include but are not limited to the following:

- (1) 100% of the shares of Choice Direct (f/k/a CMA)
- (2) all financial accounts of Choice Direct (f/k/a CMA), the sum total of which shall be not less than \$731,476.49;
- (3) all residual payments owed to CMA and/or Choice Direct, including such payments owed by Janie Thompson;

- (4) customer lists;
- (5) all buy/sell agreements, including all rights thereunder, between D. Rowe and Janie Thompson;
- (6) any and all legal or equitable claims CMA, Choice Direct, and/or Ty Hardin, in his capacity as owner of Choice Direct, may have, including but not limited to any claims against Janie Thompson; and
- (7) 2010 Infiniti FX35, VIN No. JN8AS1MU0AM802385 and corresponding title to this vehicle; or, alternatively, the sum of \$25,000 in cash.

Further, T. Hardin represents and warrants that he is the owner and holder of 10 shares of the common stock of Choice Direct, representing 100% of the ownership of said corporation, which shares are encumbered by a security interest in favor of Joy A. Rowe, Trustee (a/k/a Joyce A. Rowe), securing the obligations of T. Hardin to Joyce A. Rowe and the Joyce A. Rowe Revocable Trust, which obligations are subject to the Writs of Garnishment served by the Receiver upon T. Hardin and Choice Direct in the Rowe Action. T. Hardin, as sole director and officer of Choice Direct (f/k/a CMA) agrees to document in the minutes of Choice Direct the surrender and cancellation of his existing 10 shares, in compliance with this Agreement, and T. Hardin agrees to thereafter cause to be issued a new stock certificate for 10 shares of the common stock of Choice Direct (being 100% of all issued and outstanding stock) in the name of "Burton W. Wiand, as Receiver for Valhalla Investment Partners, LP, et al." Said stock certificate shall be held in escrow pending entry of an order by the SEC Receivership Court approving this settlement, including a bar order, as further described below. These assets and the rest of the Settlement Amount are to be transferred to the Receiver within 10 days after approval of this settlement and entry of a bar order as detailed below by the SEC Receivership

Court. The Receiver shall thereafter be the owner of Choice Direct (f/k/a CMA) and shall be responsible for all tax returns and other documents required by law on behalf of said corporation, and the Writs of Garnishment pending against T. Hardin and Choice Direct shall be dissolved.

Upon receipt and clearing of the full Settlement Amount, the Receiver, on behalf of the Receivership Entities and their present and former employees, agents, representatives, beneficiaries, and assigns, shall be deemed to have released and forever discharged the Transferees of and from claims asserted in the Rowe Action relating to the Transferees' receipt of those assets from Judgment Debtors as set forth in Exhibit A, including, without limitation, any and all acts or omissions of T. Hardin while serving and acting as officer, director, and/or shareholder of Choice Direct (f/k/a CMA). The Receiver and the Transferees acknowledge and agree that this Release only relates to claims against the Transferees asserted in the Rowe Action and specifically excludes any claims the Receiver may have against the Transferees for their receipt of any other assets relating to Judgment Debtors or against Judgment Debtors or other third parties who received transfers from the Judgment Debtors, including but not limited to those named or impleaded in the Rowe Action and Band Gates, P.L.

In further consideration of the release of claims described above, the Transferees represent and warrant that \$958,928.05 is the total amount of money the Transferees received as a result of the transfer of Choice Direct from J. Rowe to T. Hardin. Transferees also represents and warrants the monies received from Judgment Debtors were utilized as set forth in Exhibit A, which is incorporated herein by reference.

In further consideration of this settlement, the Receiver will not pursue recovery from Brooke Hardin, Brittany Hardin, and Mary Braeger Hardin of the following

Judgment Debtors' assets: (1) those transfers identified in the Impleader Motion, together with all assets made known to the Receiver through discovery or otherwise as of the date of this Settlement Agreement, including automobiles, education and support payments; and (2) monies transferred to or for the benefit of Mary Braeger Hardin, which were used to satisfy the mortgage on her homestead. Based upon their financial conditions and the fact that recovery from these specified individuals may be precluded by the Florida Constitution, the Receiver determined it is not in the Receivership's best interest to pursue recovery of these transfers from them. The Transferees acknowledge and agree, however, that this agreement not to pursue the above transfers from Brooke Hardin, Brittany Hardin, and Mary Braeger Hardin in no way affects the Receiver's ability to pursue recovery of transfers of the same or other assets from any other person or entity.

Upon the Receiver's receipt and clearing of the full Settlement Amount, the Transferees shall be deemed to have waived any claim that they had, have, or hereafter may have against the Receiver and/or any of the Receivership Entities. The Transferees understand and agree that each party shall bear its own individual costs and attorney's fees incurred in the resolution of this matter.

The Receiver and the Transferees understand and agree that, subject to the approval of the SEC Receivership Court, the receipt and clearing of the Settlement Amount and the release and waiver of claims as provided herein are in full accord and satisfaction of and in compromise of the Released Claims, and the receipt and clearing of the Settlement Amount, release, and waiver are not an admission of liability, which is expressly denied, but are made solely for the purpose of terminating a dispute and avoiding litigation.

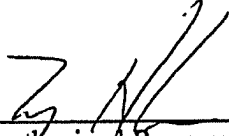
After execution of this Settlement Agreement by all parties, the Receiver will promptly move the SEC Receivership Court for approval of this settlement and entry of a bar order as provided in the proposed Order annexed hereto as Exhibit B. The parties understand and acknowledge the purpose of the bar order is solely to bar any claims by Judgment Debtors against Transferees arising from any obligations to Joyce A. Rowe or the Joyce A. Rowe Revocable Trust for payment of consideration related to T. Hardin's purchase of 100% of the stock of CMA, subsequently merged into Choice Direct. The parties understand and acknowledge the realized value the Receiver received as a result of this agreement is the cash on hand (i.e., \$731,476.49) and value of the 2010 Infiniti FX35 (i.e., \$25,000). The parties further understand and acknowledge that this agreement creates no rights for Judgment Debtors, and that Judgment Debtors' sole recourse and rights relating to the bar order are, if any, as provided by any applicable law or statute. In the motion, the Receiver will request that the SEC Receivership Court enter an Order approving the settlement, including a bar order, in the form annexed hereto as Exhibit B. After entry of said Order, Receiver will promptly dismiss Transferees, Brooke Hardin, Brittany Hardin, and Mary Braeger Hardin as implied defendants without prejudice.

To the extent necessary, Transferees agree to assist the Receiver in seeking the SEC Receivership Court's approval of this settlement and bar order. Transferees also agree to continue to reasonably cooperate with the Receiver's efforts to gather information and otherwise fulfill his Court-ordered obligations imposed in the SEC Receivership Action, including by providing additional information relating to CMA, assisting with recovery/transfer of any insurance policies owned by CMA or its principals and any additional assets of CMA or in which CMA may have an interest.


The Receiver and Transferees agree this Settlement Agreement shall be governed by and be enforceable under Florida law in the United States District Court for the Middle District of Florida, Tampa Division. Any dispute that arises with respect to this agreement between the parties hereto shall be submitted to the SEC Receivership Court for summary resolution.

The Receiver and Transferees also agree that electronically transmitted copies of signature pages will have the full force and effect of original signed pages.

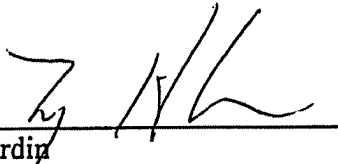
In witness whereof the parties have set their hands as of the dates indicated.

By:   
As Authorized Representative of  
Choice Direct Mail, Inc. f/k/a  
Carnegie Marketing Associates, Inc.

Date: 12-30-13

By:   
Burton W. Wiand, as Receiver  
of the Receivership Entities

Date: 1/13/2013

By:   
Ty Hardin

Date: 12-30-13



# EXHIBIT A

# METCALFE MCLAIN

ATTORNEYS

ELLIOTT C. METCALFE JR.

GEORGE R. MCLAIN SR.

G. ROBERT MCLAIN JR.

December 5, 2013

VIA E-MAIL –  
mlamont@wiandlaw.com

Michael S. Lamont, Esq.  
Wiand Guerra King, P.L.  
5505 West Gray Street  
Tampa, FL 33609

Re: Ty Hardin Settlement

Dear Michael:

I believe the only thing you are waiting for in order to reach a final settlement draft is Ty's representations and warranties concerning cash flow of Carnegie Marketing Associates, Inc. and Choice Direct Mail, Inc. under his control.

Summary of Receipts:

Initial Receipts from California CMA, Janie Thompson	\$900,000.00
Business Receipts from California (06/26 thru 10/22/13)	<u>58,928.05</u>
TOTAL RECEIPTS:	\$958,928.05

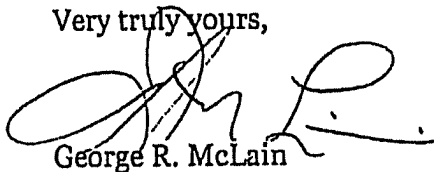
Summary of Disbursements:

Return to CMA California, Janie Thompson	\$ 50,000.00
Ty Hardin salary	40,000.00

Joyce Rowe, salary	32,000.00
Joyce Rowe, interest on promissory note	1,872.90
Choice Direct Mail, loss of revenue	16,000.00
Jones Day, attorney's fees and costs	3,494.75
Band Weintraub/Gates, attorney's fees and costs	12,226.25
Metcalf & McLain, attorney's fees and costs	18,000.00
Gettel Toyota	37,905.74
Brown Funeral Home, Derek's funeral expenses	3,110.00
Travel expenses to California	1,397.62
Corporation Services, fees and costs	2,860.25
American Express	4,952.85
Charitable Donation, scholarship of murder victim	1,000.00
Repairs, general overhead expenses (approximate)	<u>2,600.00</u>
TOTAL DISBURSEMENTS:	\$227,420.36
Cash on Hand plus any accrued interest	\$731,476.49

Michael, I will rely on you to incorporate these representations into the agreement as you see fit. I look forward to receiving what is, hopefully, the final drafts so that we can get this deal done.

Very truly yours,



George R. McLain

# EXHIBIT B

**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

Case No. 8:09-cv-87-T-26TBM

ARTHUR NADEL,  
SCOOP CAPITAL, LLC,  
SCOOP MANAGEMENT, INC.

Defendants,

SCOOP REAL ESTATE, L.P.  
VALHALLA INVESTMENT PARTNERS, L.P.,  
VALHALLA MANAGEMENT, INC.  
VICTORY IRA FUND, LTD,  
VICTORY FUND, LTD,  
VIKING IRA FUND, LLC,  
VIKING FUND, LLC, AND  
VIKING MANAGEMENT,

Relief Defendants.

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**[PROPOSED] ORDER**

This matter having come before the Court on motion by Burton W. Wiand, as Receiver (“Receiver”) for Scoop Capital, LLC, Scoop Management, Inc., Scoop Real Estate, L.P., Valhalla Investment Partners, L.P., Victory IRA Fund, Ltd., Victory Fund, Ltd., Viking IRA Fund, LLC, Viking Fund LLC, Valhalla Management, Inc., Viking Management, LLC, Venice Jet Center, LLC, Tradewind, LLC, Laurel Mountain Preserve, LLC, Laurel Preserve, LLC, Laurel Mountain Preserve Homeowners Association, Inc., Marguerite J. Nadel Revocable Trust UAD 8/2/07, Guy-Nadel Foundation, Inc., Lime Avenue Enterprises, LLC, A Victorian Garden Florist, LLC,

Viking Oil & Gas, LLC, Traders Investment Club, Home Front Homes, LLC, Summer Place Development Corp., Respiro, Inc., and Quest Energy Management Group, Inc., and all other entities subject to receivership pursuant to the Court's orders appointing and reappointing Receiver and expanding receivership in the proceeding styled Securities & Exch. Comm'n v. Arthur Nadel, et al., Case No. 8:09-cv-87-T-26TBM (M.D. Fla.) (the "SEC Receivership Action") (collectively, the "Receivership Entities"), to approve the Settlement Agreement with Choice Direct Mail, Inc. ("Choice Direct") f/k/a Carnegie Marketing Associates, Inc. ("CMA") and Ty Hardin ("T. Hardin") (collectively the "Transferees") (Dkt. [ ]);

And due and proper notice of the motion having been given;

And the Court having considered the moving papers and any other filings relating to the Receiver's motion;

**UPON DUE CONSIDERATION**, it is **ORDERED AND ADJUDGED** that the Receiver's Motion to Approve Settlement (Dkt. [ ]) is **GRANTED**.

**IT IS FURTHER ORDERED** that the Court specifically approves the written Settlement Agreement entered into between the Receiver and the Transferees that is attached to the Receiver's motion as Exhibit A (the "Settlement Agreement") and incorporated herein by reference. The Transferees and any other party in possession of those assets identified in the Settlement Agreement, including but not limited to the shares of Choice Direct (f/k/a CMA), are directed to turnover these assets to the Receiver within the time frame set forth in the Settlement Agreement;

**IT IS FURTHER ORDERED** that the Court finds that the settlement between the Receiver and the Transferees presented to the Court is a fair, equitable, reasonable,

adequate, and good faith settlement of the claims identified in the Settlement Agreement the Receivership estate and the Receivership Entities may have against the Transferees;

**IT IS FURTHER ORDERED** that the Receiver is authorized to enter into and complete the settlement with the Transferees in accordance with the requirements of the Settlement Agreement;

**IT IS FURTHER ORDERED** that Defendants/Judgment Debtors Donald Rowe, individually and in his capacity as Trustee of the Wall Street Digest Defined Benefit Pension Plan (“D. Rowe”), Joyce Rowe (“J. Rowe”), and Carnegie Asset Management, Inc. (collectively, “Defendants” or “Judgment Debtors”), together with their respective heirs, trustees, executors, administrators, legal representatives, agents, successors, and assigns, are permanently enjoined and barred from commencing or pursuing a claim, action, or proceeding of any kind and in any forum against the Transferees, their parents, subsidiaries, and affiliates, and their respective present and former officers, directors, employees, shareholders, principals, partners, members, managing members, member managers, agents, and successors that arises from or relates to Choice Direct Mail, Inc. (“Choice Direct”) f/k/a Carnegie Marketing Associates, Inc. (“CMA”) and/or assets transferred from Judgment Debtors to Transferees, including, but not limited to, any claims by Judgment Debtors against Transferees arising from any obligations to Joyce A. Rowe or the Joyce A. Rowe Revocable Trust for payment of consideration related to T. Hardin’s purchase of 100% of the stock of CMA, subsequently merged into Choice Direct.

**IT IS FURTHER ORDERED** that the aforementioned injunction and bar does not confer on Judgment Debtors any right or recourse other than as provided to them by any applicable law or statute;

**IT IS FURTHER ORDERED** that under the circumstances of this matter, including the need to bring finality to the resolution of potential claims between the Receiver and the Transferees for the benefit of defrauded investors with allowed claims, there is no just reason for delay of entry of a final judgment approving the Settlement Agreement. Accordingly, the Clerk of the Court is directed to enter this Order as a final judgment.

**DONE AND ORDERED** at Tampa, Florida, on \_\_\_\_\_, 2014.

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**RICHARD A. LAZZARA**  
**UNITED STATES DISTRICT JUDGE**

**COPIES FURNISHED TO:**  
Counsel of Record