# EXHIBIT G



WIAND GUEBRA KING P.L. I 5505 W. GRAY STREET I TAMPA, FL 33609 I PHONE: 813.347.5100

Gianluca Morello
Direct Dial: 813.347.5105
Direct Fax: 813.347.5155
Email: gmorello@wiandlaw.com

November 6, 2013

#### VIA U.S. MAIL AND EMAIL

John R. Hightower, Esq. McIntyre, Panzarella, Thanasides, P.L. 6943 East Fowler Avenue Tampa, FL 33617

Re:

Securities and Exchange Commission v. Arthur Nadel, et al.

United States District Court, Middle District of Florida

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

Claim Numbers: 462, 463, 464, 465, 466, and 467

Dear Mr. Hightower:

Enclosed please find the Receiver's Response to your Objections to the Determinations regarding Claim Numbers 462, 463, 464, 465, 466, and 467. Once you have had an opportunity to review the Response, please contact my associate Jordan Maglich at (813) 347-5115 to set up a time to discuss this matter further. If we do not hear from you within fourteen (14) days from the date of this letter, your objections will be deemed abandoned.

,

Gianluca Morello

GM/car

Enclosures

## 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, LLC

Relief Defendants.

### THE RECEIVER'S RESPONSE TO OBJECTION RELATING TO DETERMINATION OF CLAIM NUMBERS 462, 463, 464, 465, 466 AND 467

On March 28, 2012, Burton W. Wiand, as court-appointed Receiver (the "Receiver") for Valhalla Investment Partners, L.P.; Viking Fund, LLC; Viking IRA Fund, LLC; Victory Fund, Ltd.; Victory IRA Fund, Ltd.; and Scoop Real Estate, L.P. (collectively, the "Hedge Funds," and along with all other entities placed in receivership, the "Receivership Entities"), among other entities, received an objection (the "Objection") from Vernon M. Lee (the "Claimant"), to the determination for Claim Numbers 462, 463, 464, 465, 466 and

467 (the "Claims") (a copy of the Objection is attached as Exhibit A). The Objection was based on the contention that the Receiver had failed to prove that Arthur Nadel had operated a Ponzi scheme through Traders and the Hedge Funds during the time that the Claimant was invested with these entities or received transfers from them. After the submission of the Objection, this exact issue was litigated in *Wiand, as Receiver v. Vernon M. Lee, et al.*, Case No. 8:10-CV-210-T-17MAP (M.D. Fla.). In that case, the Claimant had a full and fair opportunity to present all evidence, including an expert, relating to whether or not Nadel operated a Ponzi scheme. The Magistrate Judge presiding over the Claimant's case issued a Report and Recommendation concluding that Nadel operated the Hedge Funds and Traders as a Ponzi scheme at the time of the transfers to the Claimant, which the District Court Judge adopted. In light of that proceeding and outcome, the Objection lacks merit, is moot or, alternatively, has been effectively overruled.

For the foregoing reasons, the Objection should be overruled, and the Claims should remain denied.

#### **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and accurate copy of The Receiver's Response to Objection Relating to Determination of Claim Numbers 462, 463, 464, 465, 466, and 467 is being furnished to the following on this 6<sup>th</sup> day of November, 2013, in the manner reflected below:

John R. Hightower, Esq.
McIntyre, Panzarella, Thanasides, P.L.
6943 East Fowler Avenue
Tampa, FL 33617
Via U.S. Mail and Email

Granfuca Morello, FBN 034997
Email: gmorello@wiandlaw.com
Michael S. Lamont FBN 0527122
Email: mlamont@wiandlaw.com
Jared J. Perez, FBN 0085192
Email: jperez@wiandlaw.com
Wiand Guerra King P.L.
5505 W. Gray Street
Tampa, FL 33609

Tel: (813) 347-5100 Fax: (813) 347-5198

Attorneys for the Receiver, Burton W. Wiand

## EXHIBITA

### MCINTYRE | PANZARELLA | THANASIDES

March 28, 2012

Reply to: 6943 E. Fowler Avenue Tampa, Florida 33617 hightower@mcintyrefirm.com

Via Facsimile 813.347,5198

Burton W. Wiand, as Receiver c/o Maya M. Lockwood, Esq. Wiand Guerra King, P.L. 3000 Bayport Drive, Suite 600 Tampa, FL 33607

APR - 2 2012 BY:

Re:

SEC v. Arthur Nadel, et al.

United States District Court, Middle District of Florida

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

Dear Mr. Wiand:

I am writing to you on behalf of Vernon M. Lee to object to your denial of Mr. Lee's claims No. 462, 463, 464, 465, 466 and 467 (the "Claims") in accordance with your letters dated March 8, 2012 corresponding to each of the Claims. Based on your representations in your Motion the basis upon which you deny Mr. Lee's claims is as follows: all the Receivership Entities at all times were operated as a Ponzi scheme, therefore all gains received by Mr. Lee were "False Profits," those alleged False Profits would serve as set-offs against Mr. Lee's claims should be denied. This reasoning is fundamentally flawed and unfair because it erroneously presumes the existence of a Ponzi scheme that includes all the Receivership Entities at all times from the beginning of their creation. You have not proven, or even attempted to prove with any persuasive evidence, the central and critical basis of your denial: that each Receivership Entity was part of a Ponzi scheme at every point in time from their inception. If this essential fact is not proven then your denial simply lacks factual support and defies the very fairness you purport to promote in your Motion.

You have not identified how each of the Receivership Entities qualified as part of a Ponzi scheme at all times relevant to the Claims. Courts have found that the following four factors must be established to prove a Ponzi scheme existed: (1) that deposits were made by investors; (2) the Debtor conducted little or no legitimate business operations as represented to investors; (3) the purported business operations of the Debtor produced little or no profits or earnings; and (4) the source of payments to investors was from each infused by new investors.<sup>2</sup> To date you

<sup>&</sup>lt;sup>1</sup> Receiver's Unopposed Motion to (1) Approve Determination and Priority of Claims, (2) Pool Receivership Assets and Liabilities, (3) Approve Plan of Distribution, and (4) Establish Objection Procedure, Doc. 675. (the "Motion"). <sup>2</sup> Wiand v. Waxenberg, 611 F. Supp. 2d 1299, 1312 (M.D. Fla. 2009).

have only demonstrated the first of the four necessary factors existed at all times relevant to the Claims. As you are well aware, you initiated a supplemental proceeding against Mr. Lee which is currently before the Honorable Judge Kovachevich and Magistrate Judge Pizzo.3 In that case you are faced with the same issue of proving the existence of a Ponzi scheme at all relevant times and including all Receivership Entities. In that case, and many others similarly situated, you have attempted to prove the existence of a Ponzi scheme to the same extent but have so far been unsuccessful. In your initial Motion for Partial Summary Judgment you relied primarily upon the plea agreement in the criminal case against Arthur Nadel. However, the court in that case found this evidence was insufficient to prove the existence of a Ponzi scheme, especially to the extent you have alleged. In this case you have not provided anything more to prove the existence of a Ponzi scheme that included all the Receivership Entities at all times relevant to the claims. It is inappropriate to expect the same evidence that has failed to prove a Ponzi scheme in another case to suffice in this case. Futhermore, any evidence of the existence of a Ponzi scheme is simply that, evidence. As an accomplished attorney you know that evidence is not proof but merely "something that tends to prove or disprove the existence of an alleged fact." Because you have not proven this allegation to the extent necessary to substantiate your characterizations of False Profits, your denial of Mr. Lee's Claims is wrong.

Likewise, the remaining three factors are not proven for all the Receivership Entities for all times relevant to the Claims. The second factor, that the Debtor conducted little or no legitimate business operations as represented to investors, has not even been addressed for all times relevant to the Claims. You must prove that the entities relevant to Mr. Lee's Claims were engaged in little or no legitimate business operations as represented to the investors, However, you have done nothing and presented no evidence to support this necessary element of your allegations. You have not analyzed, or presented evidence of, each Receivership Entities' legitimate trades and gains. You have not demonstrated at what point in time each of the Receivership Entities no longer engaged in legitimate business, or insubstantial business, to qualify as part of a Ponzi scheme. The third factor, that the purported business operations of the Debtor produced little or no profits or earnings, is completely without analysis. You have not presented any evidence to identify the amount of earnings each Receivership Entity made at all relevant points in time. Without this analysis it is impossible to presume every Receivership Entity was part of a Ponzi scheme at all times relevant to the Claims. Finally, the fourth factor, that the source of payments to investors was from each infused by new investors, is also never supported by any evidence from you. You have not traced how money from new investors was the only source of distributions to old investors. You have not differentiated between legitimate gains from investments paid to other accounts as distinct from merely using new investment principal to pay old investment distributions. To apply a Ponzi scheme analysis you must prove that the source of distributions for each False Profit was never legitimate gains but only new investor's principal deposits. You failed to prove, or even attempt to prove, each of these requisite factors were present in each Receivership Entity for each distribution. This failure to prove a Ponzi scheme dissolves your entire basis for denying Mr. Lee's claims and to do so simply deprives Mr. Lee of due process.

Denial of Mr. Lee's claims before proving he received the alleged False Profits is

<sup>&</sup>lt;sup>3</sup> Wiand v. Vernon M. Lee, et al., Case No.: 8:10-cy-210-T-17MAP.

<sup>&</sup>lt;sup>4</sup> The Receiver's Omnibus Motion for Partial Summary Judgment, Wiand v. Vernon M. Lee, et al., Case No.: 8:10-cv-210-T-17MAP. Doc. 49.

<sup>&</sup>lt;sup>5</sup> Omnibus Order, Wiand v. Vernon M. Lee, et al., Case No.: 8:10-cv-210-T-17MAP. Doc. 74.

procedurally premature and unfair. Your basis for denial of his claims is comparable to a bankruptcy trustee denying a claim due the claimant's receipt of a preferential transfer before adjudication of the preferential transfer. In these situations the U.S. Supreme Court noted that "the claim can neither be allowed nor disallowed until the preference matter is adjudicated." Similarly, it is patently wrong for you to deny Mr. Lee's claims based upon a legal determination that has not been adjudicated, proven or even argued by you in this case.

To deny Mr. Lee's claims without proving a fundamental element of your basis for the denial deprives Mr. Lee of his fundamental due process rights protected by the Fifth and Fourteenth Amendments to the U.S. Constitution. Your summary deprivation of Mr. Lee's significant property rights and a factual dispute as to the basis for such deprivation invokes Mr. Lee's constitutional protections of due process. At the very least, Mr. Lee is entitled to a fair and impartial hearing on the factual dispute as to whether all the Receivership Entities at all times relevant to his claims were in fact part of a Ponzi scheme. A similar situation was addressed by the Eleventh Circuit Court of Appeals in S.E.C. v. Elliot. In that case a Receiver's fraudulent transfer claim was summarily adjudicated against the defendant. The deprivation of the defendant's opportunity to a fact hearing was a violation of the defendant's constitutionally protected right to due process. Identically, you are summarily determining the disposition of a substantial property interest in this case. Likewise, you must afford Mr. Lee an opportunity to have the factual issues of this determination heard and decided by a fair and impartial tribunal to avoid violating constitutional due process.

Mr. Lee will be supplementing this objection with an expert analysis of the documentary evidence related to the Receivership Entities. You have only recently provided any real documentary support and analysis for your allegations regarding the existence of a Ponzi scheme. However, these filings were not made in this case but in the supplemental proceeding against Mr. Lee. Due to the recent receipt of this evidence and the shared identity of the factual allegations of a Ponzi scheme in that case and this one, Mr. Lee should be allowed additional time to submit an expert analysis of this evidence in response. Because Mr. Lee disputes that all the relevant Receivership Entities were involved in a Ponzi scheme at all times relevant to his claims, he should be afforded an opportunity to have the Court hear his arguments and consider his evidence on this matter.

Additionally, from your limited analysis of Mr. Lee's Claims it appears you have erroneously included Mr. Lee's gains from Traders Investment Club ("Traders") as False Profits. Again, this presumes without the requisite proof that Traders was part of a Ponzi scheme. Even if Traders was included in a Ponzi scheme, you have provided no evidence to support it began as early as 2003 to include the last withdrawals by Mr. Lee. The alleged False Profits from Traders cannot be fairly subtracted from Mr. Lee's losses if a Ponzi scheme during the relevant time remains unproven. To assist you with your analysis Mr. Lee has prepared a preliminary breakdown of the investment gains as derived from documents cited to or prepared by you in this case. This evidence will be supplemented further with the expert analysis mentioned above.

To promote the fairness you claim to seek in these proceedings it is only proper to submit these Claims to the Court for a full hearing on their determination. I look forward to working with you to promote a fair and equitable resolution of these Claims, Please do not hesitate to

<sup>&</sup>lt;sup>6</sup> Katchen v. Landy, 86 S. Ct. 467, 473 (1966).

<sup>&</sup>lt;sup>7</sup> S.E.C. v. Elliot, 953 F.2d 1560 (11th Cir. 1992).

<sup>&</sup>lt;sup>8</sup> The Receiver's Renewed Omnibus Motion for Partial Summary Judgment, Wiand v. Vernon M. Lee, et al., Case No.: 8:10-cv-210-T-17MAP. Doc, 61.

contact our office regarding this matter.

Respectfully,

John R. Hightower Jr., Esq.

	464 VAL	Vernon M.Lee	464 VAL Vernon M.Lee IRA-Valhalla Investment Partners, L.P.	evestment Part	ners, L.P.						
					-						
	يتأمن امريق	A new 100 and 100				•					Adjusted
	יייים מווייי	Actual Gallis: Actual gains		K-1 EOY				Adjusted	Adjusted		Actual Gain
•	as % of	as % of	K-1 Reported	Reported	7.	•	K-1Reported	Actual	Actival	REG Actival	Coloniated
Year	Reported*	Reported**	Begin Value	Value	Contribution	Contribution : K-1 Withdrawal	Gain	*nice	Gain*	## % cic.	Calculated
1999	11	3.72%	na	- Ba	E	c c	60	} }		N 1000	) 
2000	12	ned	\$0.00	\$56 040 00	\$50 000 00	00 08	SE 040 00	ا ا	֓֞֞֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓	24.0%	00000
2001	5	ned	\$56,010.00	\$408 802 00	\$300 000 UU	800	\$50 700 no i	 	Y A	247.18-	30,010,00
2002	ii.	neg	\$408,802.00	\$0.00	80.00	\$443.262.00	S34 460 00	4 5	Alua .	-90.1970	352,782,00
2003	73.00%	83.67%	na			22	2000	4	KI I	440.0278	954,400.00
2004	10.00%	10.97%	22							% <b>5</b> 0.01	-
2005	9.00%	9.91%	2						· ·	9.39%	***************************************
2006		J. J.	2							3.85%	
2007	L	500	3						<u>.</u>	-0.64%	
3 6		Diago.	E							7.3% ?	
8007	Jeg	neg	na						1	42.31%	
							•		:		
					\$350,000.00	\$443.262.00	\$93,262,00	Aut			
\ell_el	non M. lee out	Vernon M. lee out of Valhalla in 2002	200								
BCBIX	er declares it P	eceiver declares it Ponzi from 1999 therefore no gains. Receiver has not verified Ponzi	therefore no c	jains. Receiver	has not verifie	d Ponzi.					
							1				1100
		,,,,,	•						• •		E E
							Claimed	]			Provided
				Summary			Per IRS K-1's				Per RFG ***
	- -			otal Contribution	Ç.	\$350,000.00	\$350,000.00				\$350,000.00
				Total Gains		\$0.00 Per Ponzi	\$93,262.00				\$93,262.00
! 			Total	Total Investment Basis	asis	\$350,000.00	\$443,262.00				\$443,262,00
_[			<b>F</b>	Total Withdrawa	<b>-</b>	\$443,262.00	\$443,262.00				\$443.262.00
	1		Tet Set	Net Investment Basis	Sis	\$93 262 00	80.08		   		80.00
Notes	(n								i		20.00
*	rom Receivers	* From Receivers 1st -5th Reports Pag	rts Page 15, Ta	able 1 (Note 20	00, 2001, 2003	e 15, Table 1 (Note 2000, 2001, 2002 are omitted) FMV of Mondy Investments amitted	V of Moody for	Vectments	Pottiero		
*	rom Reciever	"From Recievers 6th Report Page 15,	ige 15, Table 1	(note 1999 -2	003 added) Fi	Table 1 (note 1999 - 2003 added) FMV of Moody Investments omitted	stments omitte	'n			
Į.	* RFG data on	*** RFG data omits FMV of Moody Inv	ody Investmen	ts estimated fo	f \$1-6 million t	estments estimated for \$1-6 million per year resulting in haccurate unmeaning il negative data	in inaccurate	Inmeaning	fill negative	. state o	
										c date.	

6.1 201. 201.

	465 (VIC), 4	62 (VICR) St	465 (VIC), 462 (VICR) Scoop Investmen	its to Victory Fu	nd to IRA Fun	d-Vernon M. Le	its to Victory Fund to IRA Fund-Vernon M. Lee [RAVVIC]. Vern I ee IRA (VICR)	m lee IRA Our	(8)		
	Actual	Actual			: .	   					Admetod
	Gains as	<u>~</u>		K1 EOY				Adjusted	Adjusted	RFG	Actual Gain
Year	r Reported*	Reported* Reported**	: K1 Keported . Begin Value	Reported Value	K1 :: : Contribution	K1 : Contribution K1 Withdrawal	K1 Reported Gain	Actual Gain Calculation*	Cakir Ilation	Actual Cain %****	Calculated
				j					Canicalanon	% III	วาย การ
2000	-										
200											
2002	٠,	neg	\$0.00	\$369,943.00	\$343,262.00	\$0.00	\$25,681.00	\$26,681.00	\$26.681.00	no data	\$28 681 00
2003	. 1	83.67%	\$369,943.00	\$482,568.00	\$0.00	\$0.00	\$112,625.00	\$82,216,25	594 233 34	40 53%	\$140 604.00
2002		10.97%	\$482,568.00	\$509,848.00	\$0.00	\$80,000.00	\$107.279.00	\$10.727.90	\$11 768 51	11 09%	\$62 305 00
2005	2 9.00%	9.91%	\$509,846.00	\$482,695.00	\$0.00	\$120,000,00	\$92 848 00	\$8.356.32	AG 201 24	7 38a	\$15 700 00
2006	_	neg	\$482,695.00	\$425,299.00	\$0.00	\$120,000,00	\$62 423 00	0		20 028	*22, 403.00
2007		neg .	\$425,299.00	1	\$0.00	\$120,000,00	\$56,316.00		0 0	50 02%	
2008	3 0.00%	neg	\$361,615.00	\$300,803.00	\$0.00	\$90,000,00	\$29,188.00	0	0	-11 37%	
					\$343,262,00	\$530,000,00	\$339 433 00	5177 981 47	\$141 RRA 00	27 121	25 480 00
		 							2001		4204, 103.00
					-						
											Claim
: 		+						Claimed			Provided
				Summary		Per Receiver	Per IRS K-1	Per Adj K-1*	Per Adj K-1**		Per RFG***
	-		-    - 	otal Centribution		\$343,262.00	\$343,262.00	\$343,262.00	\$343,262.00		\$343,262.00
				Total Gains		\$0.00 per Ponz	\$339,433.00:	\$127,981.47	\$141,884.09		\$264,169.00
			10F	Total Investment Basis	asis	\$343,262.00	\$682,695.00	\$471,243.47	\$485,146.09		\$607,431,00
	::	-		Fotal Withdrawal		\$530,000.00	\$530,000.00	\$530,000.00	\$530,000.00		\$530,000.00
	- <del> </del>		Set	t Investment Basis	Sis	\$186,738.00	-\$152,695.00	\$58,756.53	\$44,853.91		-\$77.431.00
_ :								7 *************************************			
Notes											
	* From R	eceivers 1st-	5th Reports, Pa	ige 15, Table1,	(note 2001, an	d 2002 omitted	* From Receivers 1st-5th Reports, Page 15, Table1, (note 2001 and 2002 omitted in report) Does not include EMV of Month Invastments	not include FM	V of Moody Inve	ctmonte	
<u> </u>   	From R	eceivers 6th	** From Receivers 6th Report, Page 1	5, Table1, (note	\$ 1999 to 2003	added) Negati	5, Table1, (note 1999 to 2003 added) Negative data is due to Valhalla and it omits FMV of Mondy Investments	Valhalla and i	omits FMV of N	Approx Invest	nante
	## R	FG data fron	RFG data from 9/24/10 submittal from Lamont	ittal from Lamo	it ut					manual manual	en le

									-	
Actual	Actual									Adjuasted
Gains as	Gains as a		<b>Κ</b> 3 ΕΟΥ			- "	Adjusted	Adjusted	RFG	Actual Gain
% of		K1 Reported	Reported	Σ		K1 Reported	Actual Gain	Actual Gain	Actual	Calculation
Year Reported*		Begin Value :		Contribution	K1 Withdrawal	Gain	calculation*	4	Gain %	Per RFG***
	:	i								
		~~~								
			•			-				
	60	\$0.00	\$503,906.00	\$411,927.00	\$0.00	\$91,979,00	\$67 144 67	£75 958 83	40 53%	\$166 95.6 D1
	10.97%	\$503,906.00	\$621,248.00	\$0.00	\$0.00	\$117.342.00	\$11 734 20	\$12 872 42	11 99%	\$60 An7 83
	9.91%	\$621,248.00	\$746,317.00	\$0.00	\$0.00	\$125,069,00	\$11,256,24	\$12 394 34	4 38%	\$28.395.05
	neg	\$746,317.00	\$642,268.00	\$0.00	\$200,000.00	\$95,676,00	0		-22 03%	2
	D <del>e</del> d	\$642,268.00	\$526,306.00	\$0.00	\$200,000.00	\$84,038.00	0		-69.92%	
	neg	\$526,306.00	\$418,308.00	\$0.00	\$150,000.00	\$42,001.00	0		-11.97%	į
				\$411,927.00	\$550,000.00	\$556,105.00	\$90,135.08	\$101,225.59	+	\$264,756.89
									,-	
•										Claim
-	T 						Claimed			Provided
-					Per Raceiver	Per IRS K-1	Per Adj K-1*	Per Adj K1**		Per RFG***
  -			otalContribution		\$411,927.00	\$411,927.00	\$411,927.00	\$411,927.00		\$411,927.00
			Total Gains		\$0.00 per Ponzi	\$334,390.00	\$90,135.08	\$101,225.59		\$264,756.89
-		지 라	al Investment Bo	Sis	\$411,927.00	\$746,317.00	\$502,062.08	\$513,152.59		\$676,683.89
			otal Withdrawa		\$550,000.00	\$550,000.00	\$550,000.00	\$550,000.00		\$550,000.00
		S	t Investment Go	ii.	\$138,073.00	\$196,317.00	\$47,937.92	\$36,847,41		-\$126,683.89
	ceiver says?	\$338,085.62 a	s they have sub	tracted \$211,5	14,43 from DKT	25 page 35 of	36 (Traders Rt	oth IRA) from S	550,000	
	. =			:						
From Reck	eivers 1st-5th	Reports, Page	15, Table1, (no	ote 2001, and 2	002 blank in rep	ort) Does not in	clude FMV of I	Moody Investme	shits	
From Receive	ers 6th Repor	t, Page 15, Tat	ole1, (note 1999)	to 2003 adde	d) Negative data	is due to Valha	Illa which omits	FMV of Moody	Investment	
*** RFG	data submit	ted on 9/24/10	from Lamont							
	Maria	Report 100.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0	Reported* Reported** Begin Val 100.00% neg 5503,906 9.00% 83.67% \$503,906 9.00% neg 5746,317 0.00% neg 5746,317 0.00% neg 5746,317 0.00% neg 5542,268 0.00% neg 5526,306 0.00% neg 5526,306 0.00% neg 15526,306 0.00% neg 5526,306 0.00% neg 5526,306 0.00% neg 5526,306 0.00% neg 5526,306 0.00% neg 5526,306	Reported* Reported** Begin Val 100.00% neg 5503,906 9.00% 83.67% \$503,906 9.00% neg 5746,317 0.00% neg 5746,317 0.00% neg 5746,317 0.00% neg 5542,268 0.00% neg 5526,306 0.00% neg 5526,306 0.00% neg 15526,306 0.00% neg 5526,306 0.00% neg 5526,306 0.00% neg 5526,306 0.00% neg 5526,306 0.00% neg 5526,306	Reported* Reported** Begin Val 100.00% neg 5503,906 9.00% 83.67% \$503,906 9.00% neg 5746,317 0.00% neg 5746,317 0.00% neg 5746,317 0.00% neg 5542,268 0.00% neg 5526,306 0.00% neg 5526,306 0.00% neg 15526,306 0.00% neg 5526,306 0.00% neg 5526,306 0.00% neg 5526,306 0.00% neg 5526,306 0.00% neg 5526,306	Reported* Reported** Begin Val 100.00% neg 5503,906 9.00% 83.67% \$503,906 9.00% neg 5746,317 0.00% neg 5746,317 0.00% neg 5746,317 0.00% neg 5542,268 0.00% neg 5526,306 0.00% neg 5526,306	Reported* Reported** Begin Val 100.00% neg 5503,906 9.00% 83.67% \$503,906 9.00% neg 5746,317 0.00% neg 5746,317 0.00% neg 5746,317 0.00% neg 5542,268 0.00% neg 5526,306 0.00% neg 5526,306	Reported* Reported** Begin Val 100.00% neg 5503,906. 9.00% 9.91% \$521,248. 0.00% neg 5746,317. 0.00% neg 5746,317. 0.00% neg 5742,268. 0.00% neg \$5242,268. 0.00% neg \$526,306. 0.00% neg \$526,306. 0.00% neg \$526,306. 0.00% neg \$526,306. 0.00% neg \$526,306. 0.00% neg \$526,306.	Reported* Reported** Begin Val 100.00% neg 5503,906. 9.00% 9.91% \$521,248. 0.00% neg 5746,317. 0.00% neg 5746,317. 0.00% neg 5742,268. 0.00% neg \$5242,268. 0.00% neg \$526,306. 0.00% neg \$526,306. 0.00% reg \$526,306.	Reported* Reported*   Begin Value   Value   Contribution   K1 Withdrawa   Gain   Calculation*   Calculation*

Ш		463 VIC (	Scoop Investm	463 ViC (Scoop Investments to Victory Fund, LTD.) Vern Lee,	Fund, LTD.) Ve	em Lee, Trust					
	Actual	Actual									Adintehad
	Gains as %	Gains as % Gains as %		K1 EOY		•••		Adiusted	Adiusted	E C	Artisal Gain
		οť	K1 Reported	Reported	∑	₹	K1 Reported	Actual Gain	Actual Gain	Actual	Cakillated Per
<del>٢</del>	Year Reported*	Reported**	Reported**   Begin Value	Value	Contribution	Withdrawal	Gain	calculation.	calculation**	Gain % ***	PEG **
K	1	neg									2
K	2001 100.00%	neg	\$0.00	\$313,440.00	\$270,000.00	\$0.00	\$43,440.00	\$43,440.00	\$43,440,00	116	S43 440 00
ಸ]	2002 100.00%	neg	\$313,440.00	\$654,272.00	\$225,000.00	\$0.00	\$115,832.00	\$115,832.00	\$115,832.00	22***	\$115 832 00
ম	_		\$654,272.00	\$536,248.00	\$25,000.00	\$310,000.00	\$148,621.00	\$108,493.33	\$124,351.00	63.59%	\$345 056 50
지 		10.97%	\$536,248.00	\$363,807.00	\$0.00	\$260,000.00	\$87,559.00	\$8,755,90	\$9,605,00	3.96%	\$36 142 27
12	2005 9.00%	9.91%	\$363,807.00	\$0.00	\$0.00	\$200,000.00	\$53,637.00	\$4,827.33	\$5,315,00	1.45%	\$13 757 94
<u>지</u>	2006				\$0.00			O		22 02%	
<u>ম</u>	2007				\$0.00	· · · · · · · · · · · · · · · · · · ·		0	•	-36.51%	
<u> </u>	2008				20.00			-		52 54	
, : 				1.0				>		50.20	
					\$520,000.00	\$770,000.00	\$449,089.00	\$281,348.56	\$298,543.00		\$554 228.71
											Claim
							-	Claimed			Provided
				Summary		Per Receiver Per IRS K-1 Per Adj K-1*	Per IRS K-1	Per Adj K-1*	Per Adj K1**	*	Per RFG***
i			F .	Total Contribution		\$520,000.00	\$520,000.00	\$520,000.00	\$520,000.00		\$520,000.00
				Total Gains		\$0.00 Per Pond \$449,089.00   \$281,348.56	\$449,089.00	\$281,348.56	\$298,543.00		\$554,228.71
<u>·</u> ]			Tota	Total Investment Basis	3SiS	\$520,000.00	\$969,089.00	\$801,348.55	\$818,543.00		\$1.074,228.71
				Total Withdrawal		\$770,000.00	\$770,000.00	\$770,000.00	\$770,000.00		\$770,000.00
			Net	let Investment basis	sis	\$250,000.00	-\$199,089.00	-\$31,348.56	\$48,543.00		-\$304,228,71
ž	Notes										
	From Receivers 1st-5th Reports, Page	ars 1st-5th Re		<ol><li>Table1, (note 2001, and 2002 blank in report)</li></ol>	2001, and 2002	blank in report					
	** From Receivers 6th Report, Page 15, T	ers 6th Repor		able1, (note 1999 to 2003 added) Negative data is due to Valhalla and it omits FMV of Moody Investments	to 2003 adder	d) Negative da	ta is due to Va	halla and it om	its FMV of Moo	dv Investme	sits
	*** RFG data o	mits 2001 is in		*** RFG data omits 2001 is incomplete for 2002 and wrong in its % reported for 2002 (reports -35.43% loss with a positive pain)	in its % report	ed for 2002 (re	ports -35.43%	oss with a pos	ifive gain)		
<u>ত</u> ¦	CONCLUSION Vern Lee Funded Nancy E Lee Trust with the proceeds from this fund in 2005	em Lee Fund	ed Nancy E Lee	Trust with the	proceeds from	this fund in 20	05.				
_i	Because a Po	nzi scheme ha	s not been pro-	Because a Ponzi scheme has not been proven then all gains are legitimate. Therefore a loss is real for all calculations per K1 data	ns are legitima	te. Therefore a	loss is real for	y all calculation	ns per K1 data.		
	This claim Number 463 Named VIC with	umber 463 Na	med VIC with a	account Name Vern lee Trust needs to be approved for the Adjusted Net Investment amount Per RFG.	Vern lee Trust	needs to be at	proved for the	Adjusted Net I	nvestment amo	Wint Per RF	(1)
			. "						, 1		

		467 \$	SCP Vernon	467 SCP Vernon M. Lee Scoop I	Real Estate Fund	J.						
.,		1	•	******								
		· Actual ¡ Gains as	· Actual Gains as		K1 EOY				Δηθιε <del>ί</del> ας	r charite	()	Adjusted
			% of	K1 Reported	Reported	2	×	. K1 Reported	Actual Gain	Arthal rain	5 <del>1</del> 2 4 5 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	Actaul Gain
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Year		Reported* Reported**	Begin Value	Value	Contribution	Withdrawal	Gain	Calculation	Calculation**	Gain %***	RFG***
		٠ [										
	2001						\$0.00	\$0.00				
	2002			٠			\$0.00	\$0.00				
<del>, ,l.</del>	2003		83.67%				\$0.00	20.00			-	
	128	].	10.97%	\$0.00	\$266,706.00	\$200,000.00	\$0.00	\$66,706.00	\$6.670.60	\$7.317.65	60 91%	S121 820 00
)	2005	9.00%	9.91%	\$266,706.00	\$329,290.00	\$0.00	\$0.00	\$62,584.00	\$5,632,56	\$6 202 07	24 54%	\$78 974 63
	208					\$0.00			-		20 85%	2012
	2007			· 		30.00		  -  -			760.027	
	2000		Ļ			200			- - -		-22.50%	
	3	-				20.00			0		-80.58%	
		-	-					-				
<del></del>						\$200,000.00	\$0.00	\$129,290.00	\$12,303.16	\$13,519.72		\$200,794.63
		  -  -	-			1						
		•							- ***			Claim
								- 1	Claimed			Provided
				- ; 	Summary		Per Receiver	Per IRS K1	Per Adj K1*	Per Adj K1**	-	Per Adj RFG***
		-		1	ortal Contribution		\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00		\$200,000.00
			-		Total Gains	!	N	\$129,290.00	\$12,303.16	\$13,519.72		\$200.794.63
	-  -			Tota	Total Investment Basis	.	\$200,000.00	\$329,290.00	\$212,303.16	\$213,519.72		\$400.794.63
	i				otal Withdrawal		\$0.00	\$0.00	\$0.00	\$0.00	†	80.00
				Net	Net Investment Basis	,	\$200,000.00	-\$329,290.00	-212303.16	-213519.72	-	-\$400.794.63
	Notes	  -    -						İ.	 			
7	*	From Rece	ivers 1st-5th	Reports, Page	15, Table1, (no	te 2001, and 20	02 blank in re	* From Receivers 1st-5th Reports, Page 15, Table1, (note 2001, and 2002 blank in report) FMV of moody Investments omitted	odv Investmen	ts omitted		
	1	rom Receive	ars 6th Repol	** From Receivers 6th Report, Page 15, Tal	ole1, (note 1999)	) to 2003 added	) Negative dar	ble1, (note 1999 to 2003 added) Negative data is due to Valitalia and it omits FMV of Mondy Investments	talls and it omit	S FMV of Mood	v Investmen	
,		'RFG data s	ubmitted 9/2	***RFG data submitted 9/24/10 from Lamo	ont.							3
									•			_